

HUDSON, NH BOARD OF SELECTMEN
Minutes of the July 8, 2008 Meeting

1. **CALL TO ORDER** by Chairman Ben Nadeau at 7:00 p.m. in the Selectmen's Office at Town Hall.

2. **PLEDGE OF ALLEGIANCE** led by Sewer Utility Chairman Bill Abbott.

3. **ATTENDANCE**

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

Staff/Others: Steve Malizia, Town Administrator; Priscilla Boisvert, Executive Assistant; Kevin Burns, Road Agent; Mike Reilly, Brox; Bill Abbott, Sewer Utility Committee; Atty. Jay Hodes; John Knowles; Jim Michaud, Assistant Assessor; Donna Shuman; Gina Votour, HLN; Joe Cote, TEL

4. **PUBLIC INPUT**

Chairman Nadeau asked if anyone in the audience wished to address the Board on any subject at this time. There was no response.

5. **NOMINATIONS & APPOINTMENTS**

A. **Planning Board** (1 alternate, term to expire 12/31/10)

B. **Recycling Committee** (1 member, term to expire 12/31/09)

Mary Catherine Albenzi has attended Recycling Committee meetings because she is interested in recycling. However, she cannot make Tuesday or Thursday meetings due to her school commitments, so she is unable to come before the Board to be interviewed. Chairman Nadeau has spoken with her several times and he believed she'd make a good addition to the committee.

Motion by Selectman Jasper, seconded by Selectman Coutu, to appoint Mary Catherine Albenzi to the Recycling Committee, term to expire 12/31/09.

Selectman Jasper feels it is important to meet the people the Board appoints, but in this instance, he will take the Chairman's word, since Ms. Albenzi is unable to make it on Tuesdays and she because she has been attending the Recycling Committee meetings. Selectman Coutu had no objection to the appointment, but he was curious to hear how Selectman Jasper was going to justify his motion. Selectman Maddox said to be consistent, he was not in favor of this because once you start, it just keeps going.

Vote: Motion carried 3-2. (Selectman Maddox and Massey voted in opposition.)

C. **Zoning Board of Adjustment** (2 alternates, terms to expire 12/31/08 and 12/31/10)

Donna Shuman was interviewed at a previous meeting.

Motion by Selectman Coutu, seconded by Selectman Jasper, to appoint Donna Shuman to the ZBA as alternate, term to expire 12/31/10, carried 5-0.

6. **CONSENT ITEMS**

Motion by Selectman Coutu, seconded by Selectman Massey, to approve the consent items, A – D, as noted or appropriate, carried 5-0.

A. **Assessing Items**

- 1) Current Use Lien Releases, Map 156/Lot 5-10; Map 156/Lots 6-19, -20, -21, -40, -41, -42, -43, -44, -49, -50, -53, -54, -55, -56, w/recommendation to approve.
- 2) 2007 Abatement for Map 191/Lot 187-31, w/recommendation to approve.
- 3) 2007 Abatement for Map 191/Lot 187-32, w/recommendation to approve.
- 4) 2008 First-half Supplemental Tax Bill, Map 152/Lot 12, w/recommendation to approve.
- 5) 2007 Abatement for Map 237/Lot 33, w/recommendation to deny.

B. **Licenses & Permits**

- 1) Raffle Permit requested by St. Kathryn Church for 9/19/08 and 11/9/08—Red Sox tickets, \$1,000, TV, Weekend away.
- 2) Raffle Permit requested by Dustin Quilt Guild for May 9, 2009—Queen-sized quilt.
- 3) Block Party requested by Cheryl Gainey on Cardinal Drive for August 16, 2008 from 2 – 11 p.m.

C. **Acceptance of Minutes**

Board of Selectmen's Meeting Minutes of June 24, 2008

D. **Calendar**

07/09 7:00 Planning Board in CD Mtg. Rm.
07/10 5:30 Sewer Utility in BOS Mtg. Rm.
07/10 7:30 ZBA in CD Mtg. Rm.
07/12 IAFF MDA Boot Drive

07/14 7:00 Conservation Cmsn CD Mtg. Rm.
07/15 7:00 Cable Committee in BOS Mtg. Rm.
07/16 5:00 Water Utility in BOS Mtg. Rm.
07/17 7:30 Budget Cmt (mtg may not be held)
07/21 6:30 School Board in BOS Mtg. Rm.
07/21 7:00 Recycling Committee BOS Mtg. Rm.
07/22 7:00 Selectmen in BOS Mtg. Rm.
07/23 7:00 Library Trustees in BOS Mtg. Rm.
07/23 7:00 Planning Board in CD Mtg. Rm.
07/24 1:00 Trustees of the Trust Funds in BOS Mtg. Rm.
07/24 7:30 ZBA in CD Mtg. Rm.
07/28 7:00 Green Team in CD Mtg. Rm.

7. OLD BUSINESS

A. Budget to Actuals (Distributed separately)

Town Administrator Steve Malizia handed out the report ending June 30, a preliminary report because payables are held open through the end of this week. In August, the auditors come in and they tend to make adjustments. The town ended with a favorable surplus, which will be added to the town's surplus, if that's what the Board so chooses. They made it this year, which was pretty good.

Selectman Jasper needed the math explained to him. If there are less revenues than anticipated, even though you spend slightly less, it looks like the general fund expended 97%, but only 95% of the revenues came in, a 2% deficit. Mr. Malizia said when the auditors come in, they book certain revenues, such as the use of surplus that the Board voted on, so that will swing them over the number. If you take this number and add the number the Board voted on last October, \$1.4 million, that will get added to this revenue by the auditors. Motor vehicles were fairly close; permits were down a little; interest income was off a lot, but all of the revenues aren't in here yet. KC was still working on that. There's also some payments between trust funds that the auditors have to book, so revenue is not complete but expenses are substantially complete. Some payables will be coming in this week, but the only big one still outstanding is the trash. It has been encumbered, but that's a big bill they haven't gotten yet. They got the last legal bill and try to hustle these things in as quickly as they can. Substantially, they are complete, but there will be adjustments.

Selectman Jasper said both the sewer and water funds were over-expended in the appropriations. The sewer fund revenue was up, but not as much as the 111% expended and the water fund did not meet revenues. Mr. Malizia said the water fund still has some sales to be booked to Pennichuck, so there are still some adjustments there. On the sewer fund side, there's a payment due from the Trustees for some expenses that were made that will gross up that revenue number. The data he handed out tonight is preliminary. There is one outstanding large warrant article, Benson's, and those funds have been encumbered year to year, so there is a large number in the unexpended column.

Selectman Massey said they tell the department heads they have to manage to their operating budgets, but that is never balanced against the revenue line. Given what they are looking at for potential costs in the current budget, what's the impact if they stay within the operating budget, but they fall short in the revenue budget? Mr. Malizia said from surplus, tax rate or some other windfall revenue. Selectman Massey said at the end of the year, they true up the operating budget and they are ok, but the revenue is below, so going forward into the next budget year, when they set the tax rate in October, they would be looking at taking that money from the fund balance. Mr. Malizia said yes.

Selectman Maddox said the Board voted a couple of weeks ago to have the Town Administrator look at where they could be looking at cuts, but they didn't give him any real guidance. His understanding that was up for July 22. They need to be looking at this sooner rather than later. Projections a year and a half in advance are just projections. He thinks they will be short \$1/2 million downstream, whether from revenue or over-expending. People just aren't buying new cars. Steve is trying to work in the dark and may need more discussion under Other Business. Chairman Nadeau said they could discuss it under Other Business.

Selectman Jasper moved to change the order of the day to take up item 7-C. There was no objections from other members.

B. Benson's Quit Claim Deed (Deferred from 6/24/08)

Atty. Hodes said he was present to review the status of the Benson's project. The property of the former Benson's Animal Farm/Park was acquired by the state in 1992 as part of their Nashua Circumferential project to be used primarily for wetland mitigation. In 2001, the town entered into an agreement/understanding that the town could acquire the property after the state completed wetland mitigation and utilized most of the property, consisting of approximately 165 acres, for that purpose. At that point, the state had the property appraised, which came back with a fair market value of approximately \$187,000 but the property was subject to significant restrictions of what could or could not be done there. Mainly, the property would have to be used for conservation purposes, habitat, wetland mitigation, with some rights reserved to the town to use it as a park, but for non-motorized sports, passive recreation, walking and hiking trails, and things of that nature. Since that time, a deed was generated in 2003 and, since that time, negotiations of that deed have occurred. Recently, he forwarded to the Board the latest version of the deed, where certain terms were revised that was objectionable and adopted most of the proposals put forth by the state. Tonight, they were going to discuss what to do with the deed. If it's acceptable to the Board, then they have to decide what to do next.

Selectman Massey referred to §10, Right of Public Access shall be Unrestricted. At one point, they had asked that a clause be added to that section that would provide the town with up to X days for Hudson-only use, and he wondered if that was excluded due to an oversight, or if it was deliberate. Atty. Hodes said they had started with 10 days of private use by the town, then went to seven days, but those proposals were rejected by the state. This draft went with the state's proposal, as much as possible, in the hopes it would be acceptable to them. Selectman Massey referred to Page 12 and asked if an addendum or sidebar agreement should be included that would explicitly say that all the town is required to do is maintain those structures in the condition they are at the baseline statement and that any additional rehabilitation using the Secretary of the Interior's standards for rehabilitation as a guide are strictly discretionary. It says that if they go forward with this, the town accepts the property structures in the condition they are as a baseline, but five or 10 years down the road, what if the town is told they haven't maintained those the way the Secretary of the Interior's standards for historic structures? Does that need to be illuminated for future reference for the DOT or the Hudson Board of Selectmen at that time?

Atty. Hodes said the historic preservation has been one of the stumbling blocks in reaching an agreement and the language they are using is a compromise suggested by the Department of Historic Resources. It says the town will *endeavor* to maintain; it doesn't strictly obligate the town to do so, although the town has to exercise good faith. They've also put in the standard that the condition the town takes them in is the baseline for its duties. Whether it's the Secretary of the Interior's standards or other historic agency standards are to be used as a guide, but they are not mandatory. They have to take DHR in good faith. They keep saying they will work with the town. If the town goes to them with a proposal for siding or roofing material, they will weight that and maybe give the town options or alternatives, but they sound like they want to the town to take over; they understand the property is deteriorating and unless the town gets in there and starts doing it, it's going to be a total loss. He thinks they will work with the town. DHR has also suggested that the town take black and white photographs of every building, as of date of transfer of title, and document very well the condition of the property. He's noted that in letters and that is something the town needs to do so future boards and future representatives from DHR will know what the condition of the property was when it was taken over. He can go back and negotiate, but this is where they butted heads last time.

Selectman Massey said he wasn't suggesting negotiating again, but legal language is a lot more precise and focused than ordinary English and he was wondering if a sidebar that puts in language in layman's terms of what they are really taking about. For example, what if they never did anything to those facilities? The baseline is no longer the baseline, as some point down the road. He finds it hard that the town wouldn't have to maintain those buildings. If they do nothing, the baseline deteriorates. Atty. Hodes said if the town takes on the property, the town would have to maintain the property at least to the condition they are in now. They can go beyond that, rehab them and make them viable for all sorts of purposes, which is the long-term hope of the town. There's ideas in the master plan about having a museum, exhibits and rehabbing the structures way beyond where they are now. The town has a duty to maintain them at least in the condition they are in, as of today.

Selectman Coutu said the rehabilitation of the buildings is the obvious bone of contention and referred to Page 14, (5), The condition of the buildings and property as of the date of the transfer of title to the town shall be considered the baseline for evaluating the town's responsibilities herein. He asked who does the evaluation and who gives the final order of what is expected in regards to those buildings. Atty. Hodes said the town has to be answerable to the Department of Historical Resources with regard to the historic structures. They carved out the Benson's historical area, which is a small area of the property, in the front center where a lot of the primary Benson exhibits were, and then there are the four structures that are identified. The Elephant House isn't even a structure any more, but just the skeleton of what's left. Selectman Coutu asked if that action could take place after the town agrees to buy the property and then force whatever they want on the town.

Atty. Hodes didn't think it was "whatever they want." It would have to be in accordance with the terms in the agreement. He didn't think their agenda was to force something on the town that's unrealistic. They want to preserve and save as much as possible and they recognize that it's going nowhere right now because the state's not putting any money into those structures. Any preservation done has been done by the town. Selectman Coutu applauded Atty. Hodes' optimism for his conclusions in his memorandum, but they are dealing with a government who offered this property at \$188,000, but that appears to be off the table. The town took them at their word and now Atty. Hodes is now asking the town to trust the state. The language in the deed is somewhat ambiguous when it comes to the restoration of the buildings. The Department of Historical Resources could decide, if some NH residents decide this is of great historic benefit to the state, impose certain conditions upon the town that could become quite costly and there's nothing in the deed to protect the town from that kind of order. What are the penalties if the town decides to take on the property and they put requirements on that the town can't meet because they don't have the funds? Will the state take the property back and refund the money? He is of the same mind as Selectman Massey; he'd like to have this better defined so he can understand just what a situation they're putting the town in, if they agreed to this deed and if this is the final language.

Atty. Hodes said the language in the deed is a compromise, not what was originally proposed. The town had proposed language to the effect it would maintain, subject to budgetary allowances, in order to have backpedaling room, but the state rejected that. This has been negotiated back and forth. The state has given on some points and the town has given on some points. This deed is not perfect; it's a compromise. This is a financial commitment, if the town takes over the property. The Board of Selectmen has to be the final judge on whether it's worth it. The commitment is the town will take on responsibility for the maintenance of this property and not let it deteriorate any further than the level it is in when the town takes title to the property. Is the language crystal clear in every clause? No, not at all. There's some ambiguity and some gray area, but most contracts, especially one this complex, will have language that can be interpreted two ways. If there's a dispute, they'd have to sit down with DHR and try to resolve it. If it can't be resolved, then they'd end up in some sort of arbitration or negotiation or litigation, in the worst case. He hoped it would never reach that level because, hopefully, everyone has the same objectives in mind. The master plans states the town's objective is to create a beautiful, functional park and conservation area for the enjoyment of the citizens of the town and

the state has that same objective because they don't want the property once it's conveyed to the town, but they also want the town to adhere to certain standards. There is a financial commitment on the part of the town if it takes over the property.

Selectman Jasper said the important thing is the language that says the town doesn't have to maintain it beyond what it is today and that doesn't commit them to anything beyond that. The only question in his mind is roofing material. He thinks that maintaining the baseline means asphalt shingles must be replaced with asphalt shingles because they're not doing a restoration, just maintenance. He used No. 9 Schoolhouse Shed as an example. It was last painted in 1957. Since then, all they've done is put a metal roof on it in 1970 and replaced some clapboards that fell off. Other than needing a coat of paint, it doesn't look bad. The buildings, at the level they are now, it's pretty easy. They might have to go around and nail on some siding, but what really deteriorates a building are two things. You hear about dry rot, but there's no such thing. It's where moisture got in and nobody realized it and it rotted away because things don't rot when they are dry. Moisture gets in through the roof or through the sill. It gets in through the sills because sometimes the plant growth grows up and it sheds water on to the building, or the dirt builds up and it rots the sills out. If they maintain the perimeter of the buildings so there isn't any water getting in, and the roofs are maintained, they're in pretty good shape. They really don't have to do anything to those buildings beyond the roof and they will pretty much stay that way they are for the next 50 years, with the exception of nailing on loose clapboards. The barn has some Tyvek on it, which would have to be replaced at some point, but that's all they are requiring. They're not saying if the Tyvek comes off, they've got to put clapboards on. They can just re-Tyvek every five years, if that's what they want to do. This is the best they are going to do and they are at a crossroads. This Board has to decide if they want to forget the whole project, or move forward with the baseline. They take the pictures and maintain it at the baseline. The remedy is court action to enforce a contract, and it would have to be proven that the town wasn't maintaining it at the baseline—and the town would have the pictures for proof. The big barn has got architectural shingles on it. If they replace it with brown architectural shingles, he thinks it will be extremely difficult for them to say that's not maintaining it at the baseline. He asked if Atty. Hodes agreed with that.

Atty. Hodes said yes, he would. The town would be taking on a responsibility and the Board could say it's too much of a responsibility, but it's the compromise that is before them and it's up to the Board to decide if the property is worth the undertaking. The Board has to weigh the pluses and minuses. The minus is the financial commitment of some responsibility to maintain the properties. This is a long-term project and there will be funds to rehab the properties and really turn them into much better condition than they are now. It is a responsibility, but that is part of the overall process of getting the property.

Selectman Coutu said the price of the property is what will determine his vote, and he hasn't seen that number yet. What he couldn't find in the Quit Claim Deed or the memo from Atty. Hodes that specifically says the town is to maintain the property at the baseline level in the condition that it's in. He saw something entirely different. He sees that the town is going to be held to certain standards that may exist or could be rewritten in the future to force the town to rehab the buildings in their entirety. He was willing to enter into some sort of negotiation, depending on the price and what it was going to cost the town, knowing full well that they don't know what's in store for the future. There may be some federal grant monies out there to rehab the buildings, but he can't see them doing anything to the buildings without having to go to hearings, etc., because there are so many restrictions. He didn't see any language whatsoever that clearly states that if a nail falls out to replace that nail or if a shingle falls off to replace that shingle. He sees it going beyond that, unless he is misinterpreting the deed.

Atty. Hodes reiterated that the language is not perfect. Selectman Coutu asked if they were handcuffed. Atty. Hodes said they were, in the sense that the state wants the town to take on responsibility for the four structures. He referred to Page 11, 3) a. Maintenance. The town shall *endeavor* to preserve and maintain all historic structures, and on Page 14, § G Maintenance Responsibility. The town agrees to assume the total costs of continued maintenance, repair and administration of areas subject to the historic preservation easement. The town shall maintain the premises at all times and shall keep the premises in a state of good repair and shall not allow the appearance of the premises to deteriorate in any meaningful way. Then you go back to the baseline for the duties, and one of the baselines is the condition the town gets them in at the time it takes them over.

Selectman Maddox said he was on the Selectman Coutu bandwagon and referred to Page 12, § b., Repair and Rehabilitation. As repairs and rehabilitation of the historic structures are necessary, the town will use the Secretary of the Interior's Standards for Rehabilitation (as codified in 36 CFR 67) as a guide. That didn't sound like slap a few nails on and put a new similar roof on it. This is opening the door to people in Concord saying, 'I want this.' He didn't buy into Selectman Jasper's plan and he hoped that's where they could be, but he didn't see that. They're going to say, 'You need to do X, Y & Z.' The state is preserving the right to use the entire 165-acre tract of land for wetlands mitigation. He asked if that has changed.

Atty. Hodes said it hasn't changed in the sense that the state now has agreed that they will limit their mitigation and not disturb certain areas, but completing their mitigation plans could be many, many years from now. He hoped the state would, if they come to a final agreement, give some more definition of where they want to do their mitigation and where they won't. They are reserving the right to perform mitigation over the entire parcel, with the exception they agree not to destroy or interfere with certain selected areas. The town would have to work with the state over time. As improvements are made to the property, the town would have to go to the state and say they plan to build X here, such as a ball field, and ask if they can take that area off the state's list of potential mitigation areas. That's how they would have to proceed.

Selectman Maddox said the state wants this as 165 acres of wetlands mitigation. They're going out to have this reevaluated, but if it's still completely under the jurisdiction of the wetlands mitigation, the \$188,000 is the best that could be. Nobody is going to buy the property from the state with a wetlands mitigation easement on top of it. That's just a big threat. This looks like the earned time of 20 years ago. This is going to be a \$1 million exposure to some poor Board of Selectmen downstream. There's no

use for those buildings. Even in the master plan, it was a little vague. A museum in the Haselton Barn? By the time they made it handicapped accessible and all the things that need to be done, they could spend \$1 million for four people a year.

Selectman Massey said they define rehabilitation and he can understand where somebody would hold them to the standards for historic preservation for rehab because of the way it is defined on Page 12, b., but they also say repairs, as necessary, the town will use those historic preservation standards as a guide. Somebody, five years from now, who was not a party to this agreement, will look at that and say, 'you have to, you have to, you have to.' He is glad that there is no penalty clause in the agreement if the town fails to do something, which he would have expected in an agreement like this. The memorandum of understanding was signed in 2001. The first Quit Claim Deed was put to the town in the spring of 2003. Since 2003, they've been going back and forth with the state because of some onerous conditions. The state wanted to be able to buy back the property at any time for the price the town paid for it, regardless of how much money the town had put into it. Thankfully, that language is no longer there. He thinks he distinctly recalled that the town easement district was going to be exempt from the wetlands mitigation from the state conservation easement. If the 165 acres have to be held for wetlands mitigation, then the state cannot, with a straight face, say that property is worth more than \$188,000. To do anything else would be two-faced.

Selectman Jasper said he didn't find the language, but the state has clearly agreed to delineate the areas that they will touch. It will not be the whole 165 acres. They couldn't do the whole 165 acres because much of it is upland. They'd have to flood out Central Street or build a Hoover Dam to do that. That's not going to happen. They haven't reduced everything to metes and bounds. Mr. Malizia said Atty. Hodes tried to get that data from the state, but was unable to. Selectman Jasper thought the state has said there may be potentially seven acres more they will use beyond what they've used now and most of that would be the old parking lot because that was just a filled area. That was a wetland. That wasn't something the town had designs on, anyhow. That is supposed to be clearly delineated.

Atty. Hodes said at the last meeting, the state said there were five more acres they wanted to utilize for wetland and it may be the old parking area. Practically speaking, they can't use the entire property for wetland because there's ponds, streams, etc. Some land would be suitable and some would not. Also, they're not going to build the Circumferential Highway any more, so their plans have changed somewhat. Page 4, § C, says the state will endeavor to minimize impacts to all historic areas, as well as passive recreation activities established by the town. On Page 8, 5), there's another section, Limitation of Mitigation Activities in Historic Area. They agree they will try, as far as possible, not to impact the historic areas, the south field, the amphitheater area or the passive recreation areas and those are the primary areas where the town will put its improvements in. They have agreed, to the extent possible, impact those areas. Realistically, if you look at where they've shown their wetland mitigations and how water flows and the low areas and high areas, that makes sense – but the deed is not complete because there are supposed to be a couple of exhibits attached to it, delineating the wetland areas versus the highlands.

Selectman Maddox said the first point they have to recognize is the state is preserving the right to use the entire 165-acre tract of land for wetlands mitigation. He asked if that was still correct. Atty. Hodes said yes, subject to what they just discussed. Selectman Maddox said the state is saying they could use all 165 acres for 93, if they so desired. Atty. Hodes said if the deed gets completed with the exhibits that need to be attached that delineate and outline where the wetlands will and won't be, that should answer the questions. If the state comes back, saying they can't do that, then they town would not put any money into the project.

Selectman Coutu referred to Page 8, 5, limitations, 'While the state shall *endeavor*.' That was pretty ambiguous to him. Atty. Hodes agreed that was compromise language. He asked them to specifically they would not, and they came back saying this is the best they could do on that issue. Selectman Coutu said this was a typical government document and he's dealt with a lot of them. He asked where they stand in terms of time, when they sign or when do they get a number so the Board can make a decision whether or not they even want to sign. Atty. Hodes said the number was still the \$187,000. Selectman Maddox interjected it was \$188,000. Atty. Hodes said at one of the last meetings, they talked about going out and reappraising the property. If the property is going to be restricted the way it is, no one is going to buy it. It can't be used for commercial purposes, industrial purposes or residential purposes. Who would buy it? An environmental group or the town, so it has a limited value and that's why they are offering it at that price. Even in the current market, 165 acres is certainly worth a lot more than \$187,000. The restrictions are how they justify the value. They've talked about having it reappraised. If they take the restrictions off, who knows what the value would be? He assumed it would be in the multi-millions. He didn't think that's what they want to do. He thinks they were prodding the town to come to terms with them on some of the issues, but maybe that's what they do want to do; he can't read their minds on that issue, but they haven't come up with a new value yet. Supposedly, they are in the process of that. They talked about potentially trying to finalize the deed to the point where the town can accept it. If they can't, they can instruct him to modify terms, and they go back to them with the modified deed, from the town's standpoint, and the check, and see if a deal can be struck. The state still needs to fill in some of the blanks, in terms of the exhibits and wetlands exhibits they want to reserve the rights to and the areas they will agree not to, and try to push the issue to a final agreement because they've been at a standstill for three or four years.

Selectman Jasper said the purchase price is in the contract on Page 3. On Page 14, (5) The condition of the buildings and the property as of the date of the transfer of title to the town shall be considered the baseline for evaluating the town's responsibilities herein. That's the key language because there are no penalties in there; it's court action. What's the judge going to look at if somebody says they aren't doing their due diligence? Consider the baseline for evaluating the town's responsibilities—and that's all they have to do, maintain it at that level. If the town replaces in kind, such as the roof, let the state take them to court. They're not going to do that! If it's an asphalt roof and the town maintains it at the baseline, they put an asphalt roof, equivalent shingles back on, are they really going to take the town to court? They're just maintaining the baseline. The state has a lot bigger fish to fry. What are they going to do on a barn like that? He hasn't seen a barn with wooden shingles on it in a long time, and that's the

only historically accurate material to put on a barn like that—wooden shakes—and nobody does that because it's a fire hazard and cost prohibitive. They could say they'd like to put a seamless metal roof on there, which would take the weight off the old timbers. He thinks they would be very happy with that because that barn is already sagging and they've had to shore it up inside. If they put a seamless metal roof on it, everything is going to slide off; there's not going to be any weight on that roof. That material is used all over the country on historic barns now. They can't sign and give them a check because the state hasn't done all of their part. It's time for the town to say they're ready to go; fill in the blanks and we'll give you the check. The whole idea was to put it in the Governor's court and point out that it wasn't the town that was holding things up. If Atty. Hodes didn't think it was prudent to put in the language that he suggested about the state having to define within a period a time, and given the conversations tonight, it's probably not a good idea. They've outlined the wetlands area and there are five acres more, so once they do that, they will all see it on a map and they'll all be happy and know it'll never go any further than that, they take out the pile of contaminated asbestos soil and they're done. The question that it comes down to is, 'Is that barn worth throwing away the whole 165 acres?' The town is going to get grants for the train station and they want that. The Elephant House was supposed to be out of there. The original barn is still OK, probably 24 x 24, what you see from the road with the sliding doors on it. The rest of it is gone. He didn't think they even cared about that any more. Personally, he'd like to save that because it's a nice timber-framed building and Aaron Sturgis pointed out that it was a significant early building and was there long before Benson's owned the property. It's small and not an issue at all, nothing like the Haselton Barn. The office building had sections torn off and they are going to be pretty lenient on that; it has vinyl siding on sections of it now. That's not going to be a real difficult one.

Atty. Hodes said they talking about the Elephant House and there was only a part of it left, but that could be removed from the draft. Selectman Jasper preferred leaving it in, saying it was well worth saving. If nothing else, it's a good place to store maintenance equipment on the property, or anything that might be used now and then. It's not a big deal. The Haselton Barn is the big deal. They got them to where they're maintaining it as it is today and they can work on it in sections.. it's a guide. Originally, the language was strict. The state has backed off and know they have to be practical because they understand the building was going to fall down the way it is now. All over the state right now, historic structures that are owned by the state are deteriorating because they don't have the resources to do what they are supposed to do. Worse comes to worst, nothing happens for 50 years and none of them will be around to worry about it. Chairman Nadeau said he would be.

Selectman Maddox disagreed with Selectman Jasper. He is wary of preservation boards and those kind of entities that think of only historic structures and not his wallet. Besides taking black and white photos, they should hire a building inspector. If they say it already has sill rot, when they get it, they're better off. If they already say the plumbing has been torn out, they don't have to deal with that. They need to document that better. Selectman Jasper said they tried that, an evaluation of current conditions, but Selectman Maddox voted against it. (Talking over each other.) Selectman Maddox said if they don't get going on the railroad, the monies will be gone. He was reticent to put another Board of Selectmen into a situation that they are going to have to deal with this with big dollars, but he didn't want to give up the 165 acres. Unfortunately, the town is waiting for the state to tell them what the new number is and what that 165 acres goes to, 100 or 40 or whatever it may be, because that's going to determine what the town will get out of this. The state has figured out a way to get a state park at Hudson's dollars. He was reticent to jump on the band wagon. He was opposed to people, who stay in Concord, spend his money. Maybe a compromise is to give them a grant of \$100,000 out of the Benson's money to do as many renovations as they can and let them do all of that.

Selectman Massey said the state held the trump card throughout the whole document. His understanding of wetlands mitigation is that this doesn't have to be wetlands mitigation for the Circumferential Highway. If the state was building a road in Colbrook, and they needed to have wetlands mitigation, they could apply the mitigation by creating a wetlands in Hudson that compensated for the removal of the wetlands in Colbrook. He asked if that understanding was correct. Atty. Hodes said it was either in this document or the memorandum. It says they can use the land for mitigation for Rockingham or Hillsborough County.

Selectman Massey said they absolutely have to remove the Elephant Barn responsibility. He didn't see that building provides that much. He was hoping they would have the cost of renovations to rehab that barn before they would finally say to the state they're OK now. If they only have to maintain it 'as is,' that's a lot less costly than having to rehab it, but there's no such thing as maintaining it 'as is' because they would have to keep putting money into it to keep it 'as is.' If the sill plate were rotted, if they don't replace the rot, then the whole window will collapse, which means they'd have to replace the whole window and then you get into the interpretation of § B.

Selectman Jasper said they'll know exactly what the acreage is. If the total parcel is five more acres, wherever they use the mitigation for, what does the town care? Wetlands is wetlands. It doesn't matter if it was used for someplace else. The key is it needs to be defined, so that shouldn't be an issue. They want to take this to the Governor before they come up with a new number. They want to be in the driver's seat, not sit back and wait for them to say \$1.3 million or \$5.6 million. They want to say they have a valid agreement and are ready to go. Put the Governor on the defensive. He didn't know why they would want to wait to see what the new number is; they want to get the Governor involved in this now for him to sign it. That's where they want to be, not sitting around waiting for a new number. \$188,000 is like an acre of land in town. Even if they put \$1 million into that barn, that's like buying five to seven acres at current prices. Putting that barn into perspective, it's still not that bad a deal. You can't buy 165 acres for \$1 million for a park, unless it's total swamp and this property isn't. It's a very nice piece of property. Do they want it or not? If there is some sill rot and they have to replace a couple sills historically correct, that's not a big deal. Jacking up a barn ¾" or just enough to slide the sill out, put a new hand hewn beam in is not huge money, if replacing sills is all they are doing. It's not the end of the world. They don't know what it's going to cost at the end of the day to do a full rehabilitation. Yes, it will cost them several thousand dollars a year and a new roof on the barn, which will be expensive, but in the scheme of things, it will be a lot less than an acre of land someplace. This will be a legacy for this town forever. The people of this town have voted twice—once when the Board of Selectmen was hoping they'd say no, but they people still said they

wanted to do it. Now, the Selectmen are dragging their feet. They always knew they were building a park for the state of NH. He said that from Day One—the state saw this as a great way to get the town of Hudson to build a state park for them. He always knew that. That's why it was \$188,000. The town wanted to do it and they wanted that piece of property—a state park at town expense—and the people of Hudson said yes. At the end of the day, no judge can force them to raise monies that the people say no to. If a judge says the town hasn't lived up to the agreement, he can say the land goes back to the state because he can't raise taxes. That's the worst that could happen. The town would forfeit its right to the property and it's returned to the state. He asked if Atty. Hodes agreed with that.

Atty. Hodes said there are scenarios where the judge could say the town wasn't living up to its obligation and say the state could go ahead and do it and find a monetary judgment against the town. The alternative would be to negotiate with the state and return the property to them. There's always room to negotiate on those issues, but it's possible there would be a monetary judgment against the town. Selectman Jasper said that's pretty hard to do if they don't get an appropriation, but that would be so extreme. If they are doing to go down that road, they should just say no now and drop this because they can 'what if' this to death. If they do a good faith effort, they are OK.

Chairman Nadeau asked how long it would take to get the documents back if the Elephant House is removed and if they know when the study of the Haselton Barn will be done. Mr. Malizia said the study for the Haselton Barn was for a rehab cost, not to tell them what it is right now. It should be ready in about a month, or so. There was up to 40 hours of work there. Atty. Hodes said he could revise the deed and take the Elephant House out and get it back to the Board tomorrow. It's a great idea to have a report on the condition of the Haselton Barn now, and all the structures. That's essential because that's the baseline. They would have to have a written report by a building inspector, architect, whoever the appropriate person is, along with the black and white photos, because that's very important. Relative to the wetlands, wetlands go hand in hand with the concept of the park—jogging and hiking trails, bird watching stations, etc., all enhanced by the wetlands. Wetlands is not a negative.

Selectman Massey said on Pages 6 & 7, it stays the state would have the ability five years from now to add to the area designated as wetlands mitigation. Atty. Hodes said the state is supposed to identify the wetlands and then they are going to release the state conservation easement and then it doesn't exist any more. The property is encumbered by two easements—the town conservation easement and the historic easement. Once the state finishes their wetlands mitigation plans, then they release it and would have no further rights to create more wetlands, unless they purchase the property back. Selectman Massey said there was no time limit on when they could finalize the total acreage for mitigation. Atty. Hodes said he was trying to get that from them. They have done some wetland mitigation already and in the last discussions with them, that's where the five acres came from. They still have about five acres they want to utilize. That needs to be nailed down.

Selectman Massey said they don't have much to lose, at this point, by telling the state, 'You fill in the blanks and we're ready to go.' The only way the state could ever say that property is worth more than \$188,000, with any credibility or integrity, is if they remove all of the wetland restrictions off of it. If they do that, that property suddenly becomes commercial property and the town is sitting with a significant tax base. To him, it's a win-win situation. They either get it for \$188,000 and it becomes passive recreation, or the state changes its mind and says it's really not going to be used for mitigation and it puts a commercial value on the property and, at that point, they've got 40 to 60 acres of prime real estate for commercial development. He's ready to move forward with this, after the state fills in the blanks.

Selectman Coutu said he has many happy memories of Benson's and remembers teasing the gorilla many times—and spat at for doing so. It's a tremendous value to the town and he's ready to call their bluff. He'd like to see them bring this to a conclusion within the next 12 months. He agreed with Selectman Jasper to put the ball in the Governor's court and see what the state does.

Motion to instruct the attorney to finalize the deed, seconded by Selectman Massey.

Selectman Massey wanted to include in the motion the removal of the Elephant House, to which Selectman Coutu agreed. Selectman Jasper objected, saying the Elephant House should be the least of their concerns. Unless there is documentation to support his memory that they took it off the list, if the town takes it off the list, as soon as they go back, they'll be in negotiations again. They want to go forward with a document that everything has been agreed to, so unless there is something in the record that supports his memory, they don't want to do that because they'd be right back to Square One, which is where they were with the Haselton Barn. That little Elephant Barn, 24 x 24, should be kept in. Selectman Massey thought Selectman Jasper made a good point and agreed with him, as did Selectman Coutu. Atty. Hodes said he'd call DHR and ask what her recollection is.

Selectman Coutu said it was incumbent upon the Selectmen to begin the process of inspecting, photographs, detailed analysis of the condition of all four buildings so the town has a case file on the exact condition of each building upon signing the deed.

Selectman Jasper asked Atty. Hodes, when he makes that phone call, to ask if the town replace the roof with the same material for the purposes of maintaining the baseline? Selectman Coutu thought the deed clearly allowed for that. Selectman Jasper thought so, too, but wanted Atty. Hodes to ask the question, nonetheless, to make sure that was a correct interpretation.

Selectman Maddox recalled that there were only three structures and the Elephant Barn was not a part of it. If it can be removed, all the better. He's not as excited about taking over this property. He can see them doing the same thing with earned time. This is a great thing for the town, and 20 years later, they have \$1 million exposure. He agreed in principle, but the details get them every time. The question of replacing the roof will be asked, and that will be turned over to the historical people, who will have

to evaluate it. This will go around and around. They'll be maintaining buildings that have no use to the town. The Benson's master plan is a stretch, at best. As much as it would be nice to get the acreage, he has to vote against this.

Selectman Massey said if they tell the state to fill in the blanks, the town doesn't need to spend any money on establishing the baselines until the state says they are ready. The document says the purchase price is \$188,000. If the state doesn't agree, the town won't spend any money to establish baselines. The town will tell the state it's ready to go forward, per the 2001 agreement, and purchase the property for \$188,000 subject to everything in the document, after the state fills in the blanks. Once that is done, that's when the town spends the money to do the baseline.

Selectman Coutu asked for confirmation from the attorney that anything attached to the document would not change anything; the appendix would be a drawing, or the topography of the land to show the existing wetlands, etc. Atty. Hodes said it won't change the language, but it would help them understand what's going to be used for wetlands and what is not. Selectman Coutu said he has the utmost respect for Selectman Maddox, and it was a difficult decision. However, it is the right decision, but he thinks it should be done as a unified Board and he asked him to reconsider his position. The dollar amount is in the Quit Claim Deed. Worst case scenario is the exact opposite of what Selectman Jasper has said. They've been negotiating this for too many years and have gotten nowhere. Atty. Hodes will make whatever modifications he can and the other Selectmen like the deed. If the state says anything the Board finds objectionable, the town hasn't committed to anything but what's in this deed. At that point, they can call it quits because then the state wouldn't be showing good faith. The attorney's memorandum was a very positive document. He was asking the Board to show good faith with regards to what the state was proclaiming in the Quit Claim Deed, and he agrees to take them at their word. The state hasn't kept its word up to now, and they probably still won't, but give it a shot. If they start adding in all kinds of encumbrances, etc., then they pull out. They're not signing anything by approving the motion; they are calling the state's bluff and it's time to do it. It's time to get something done and now is the time.

Selectman Jasper said in theory, he agreed with Selectman Maddox about this being like earned time, but there is a huge difference. Nobody every asked the people of the town of Hudson about earned time, but the people of the town have been asked twice about Benson's and they said yes. They've known those buildings were part of it and yes, they were going to have to spend a lot of money. The dollar figure was out there years ago, bigger than he expects they will ever spend, but they were known and the people still said yes. He asked Selectman Maddox to respect the will of the people of Hudson and represent the majority of people who have voted twice to move forward with this project.

Selectman Maddox said he represents the 20% of Hudson voters who said they never were told the price, which could cost \$100,000 a year. Inasmuch as he doesn't think it will, when they get into maintaining the trails everyone wants, and all of the things that goes along with doing this, along with staff, no one has ever given them that price. They never told the voters. They asked if the people wanted to buy Benson's. If someone asks if people want to buy a hot fudge sundae, everybody wants to until they are told it's \$87. He is not ready to accept this and wanted to welcome Selectman Coutu's never-ending frustration with dealing with NH DOT, which stands for Never Having Done On Time. They have been doing this for so long, some of them are tired of dancing. If the state keeps the 165 acres under wetlands mitigation, they're not going to get another dime for it. All they're doing is putting a gun to the town's head and saying, 'dance.' He's not ready to dance.

Selectman Massey said if the state accepts the document that says the purchase price is \$188,000 and fills in the blanks relative to the delineation of the conservation easements, they are 'there.' Secondly, relative to clarification on Page 12, 1, b, ask them now about replacing the barn's roofing with comparable material, if that would be a consistent interpretation. If they say yes, Selectman Jasper is absolutely right. If they say the town has to talk to the Department of Historic Resources, the question has been answered. By telling the state the town is ready and all they have to do is fill in the blanks, the town will get the two answers they need--the purchase price is \$188,000 and maintenance/repair is baseline, not rehab to historic preservations. At that point, it's win-win for the town.

Selectman Jasper said the state was making the point they didn't need the whole 165 acres; they only need what they've done, plus five more acres and then they will release the rest. They can have their cake and eat it too by maintaining that small acreage and then selling the rest. Some of it isn't usable for much of anything. There's other wetlands and some pretty severe slopes on the back side, but there is value to DOT if the town doesn't get this; they have the ability to sell it. The town needs to hold their feet to the fire relative to moving forward with the agreement. The Haselton Barn wasn't an add-on, so the state's position on that barn and the other barns never changed. That has been in there, and a requirement since Day One. Maybe it's shame on the town, but they picked up on it and fought as hard as they could and made significant progress in protecting the town--and no money will be spent unless the voters approve it through the budgetary process.

Selectman Coutu wanted Selectman Maddox to know he sincerely appreciated his argument with regard to committing future residents and Boards of Selectmen 10, 15 years from now to a potential financial burden, but by approving this motion tonight, they are not signing the document and though the national fiscal situation is in dire straits presently, everything is in cycles. They are in the middle of a seven or eight year cycle and things are going to turn around. Non-profit agencies, such as the Audubon Society and several other organizations have millions of dollars at their disposal, and so does the federal government. Owning this parcel of land for \$188,000 opens a realm of opportunities for this community to apply for millions of dollars in federal grants, private organization grants, to turn this into a recreation facility for the state, because they say it's open to everyone in the state of NH, they could probably do it almost free of charge and the town will control most of it. He was looking for Selectman Maddox to support his motion in order to get the ball rolling.

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

After thanking Atty. Hodes, Chairman Nadeau declared a recess. The meeting resumed at 8:45 p.m.

C. Non-union Salary Increases

Town Administrator Steve Malizia said this was deferred from June 24, pending the reviews, which the Board received copies of.

Motion by Selectman Jasper, seconded by Selectman Massey, to award a 3% salary increase to the nine non-union employees, approved by the voters at Town Meeting on March 11, 2008, as follows: Town Administrator to \$102,257; Police Chief to \$92,962; Fire Chief to \$92,962; Road Agent to \$86,604; Community Development Director to \$86,604; IT Director to \$80,340; Finance Director to \$76,312; Executive Assistant to \$50,796; and Recreation Director to \$48,204, effective July 1, 2008, failed by a vote of 3-2. Voting in favor were Selectmen Jasper and Massey. (Note: Motion was reversed following a discussion.)

Selectman Jasper said he was disturbed that the motion failed without any discussion on the part of the dissenting members. The voters approved this warrant article and they owe it to the voters—and to him—to state their thought process, which should have taken place before the vote. Selectman Maddox said he was trying to save a lot of time to keep them from arguing with him. He thought the vote would be 4-1, so he just let it go; shame on him. Until they have the discussion of where the dollars are going... these are big salaries, higher than most citizens in town accept at their work and he's having trouble with an automatic 3%.

Chairman Nadeau agreed with Selectman Maddox. Some of these positions... they have to look at the private sector, the whole picture of what is going on. They are bound by contracts for other things. Maybe he didn't think a 3% raise was appropriate; maybe a 2% raise was appropriate, or maybe this year, they don't have a raise. Selectman Jasper asked if Selectman Nadeau voted for the warrant article that went to the voters. Chairman Nadeau said he did vote to send it to the voters. Selectman Jasper said now, after the voters said yes, Selectman Nadeau was saying no.

Selectman Coutu thought this discussion was out of order. Selectman Massey didn't think it was because this Board voted to forward to the Budget Committee a recommendation for a 3% salary increase, and it was consistent with what all of the other town employees were going to get in the way of a salary increase for this year. The Budget Committee voted in favor of forwarding it to the warrant for the voters. At every step of the way, they knew what the current salaries for all of these individuals were. They knew what the 3% increase was going to do. The Budget Committee agreed with that and when it went to the voters, they approved it. When they voted in March, there was some inkling of the financial conditions of the country, so it wasn't like people were flush with money when they said yes. Its irresponsible and unacceptable to not do this when the Selectmen, the Budget Committee and the voters all said yes in March.

Selectman Jasper said it was very for the exact reasons given by Selectman Massey, but moreover last fall, when they were in negotiations for the police contract, he brought up some of these issues and he was told, even by Selectman Maddox, 'not now, we can't deal with those issues now,' because he felt the contracts were too rich, but he was the lone dissent on that. This moved forward and, obviously, the majority of the members voted for it and, as stated, the voters approved it. Two years ago, this Board sent him to the Budget Committee because the salaries had gotten out of whack, where they had people second in command making more than people in command. Last year in the Legislature, he sat next to a retired police officer from Salem who had been offered the job of Chief, but he turned it down because he had to take a pay cut—and they wanted him very much. This Board adopted a plan that they would have a 10% delta between people in command and those next under them so they wouldn't get into this situation. To do what the Board just did, they are going to throw everything off. The place to start with this is the contracts, not with the top people. He doesn't like how much money people in town are making, but he also thinks they have to have a delta and the people at the top need to be making more. He worked very hard at the contract numbers, and he spoke with the Town Administrator and Selectman Coutu yesterday, at which time he said they have to start looking at the total package—the total cost of employees, including retirement, health, dental and everything else. They can't just give 3%, plus 3%, plus 3%. They have to look at the package, but this is not the place to start. The Budget Committee let the Selectman put the increases in the budget so this could get straightened out and now, a year later, after getting it straightened out, they are going backward. After telling everyone this was what the plan was, what they were guaranteeing, they're going to be right back in the boat they were before. Stupid!

Selectman Coutu reminded the Board that he was not party to any commitments back in March because he wasn't a member then. He owns a business in town and makes the same amount of money today that he did when he started it three and a half years ago, and he makes less money than he did eight years ago. He voted against this article on the ballot because he was aware of the economic times and he's aware of the economic cycles that befall them every six or seven years. He didn't think it begins at the bottom and works its way up; it begins at the top and filters down. They need to set an example. Is it a punishment? The amount of money they are talking about is going to be eaten up by taxes when you look at the total dollar amount that this is going to bring each employee to. He is not going to sit there and be criticized every time he votes against spending money. It's time to buckle down and start looking at the entire economic picture for the taxpayers of the town. When they voted last year, maybe they didn't have a true reflection of what was going to take place this year, or even next year. Things are going to get worse. He wasn't a party to it then. He thought the vote was going to be 3-2, the other way around. He hasn't discussed this with anyone; there wasn't any plan to come in and vote no on this. It was an independent decision, like he's sure it was with his other two colleagues that voted no. They need to start setting an example because the bulk of the burden is on the school side and the county side. It's time to start buckling up and if they don't start at the top, that's a mistake. This is the right way to go.

Selectman Maddox said he made his motion, based on what Selectman Coutu said, but even if Selectman Jasper calls him stupid, he got the point, i.e., they (former Board) did try to keep the separation between command staff/the top people and the people

below them. For that reason, he would change his vote—but Selectman Jasper’s sales tactics aren’t exactly great. Selectman Jasper said he wasn’t calling anyone stupid; he considered the action to be stupid and apologized for his language. They do have to start somewhere and it’s with the new budget.

Motion by Selectman Maddox, seconded by Selectman Jasper, to reconsider the motion, carried 3-2. Selectmen Coutu and Nadeau voted in opposition.

Vote on the original motion (by Selectman Jasper, seconded by Selectman Massey, to award a 3% salary increase to nine non-union employees, approved by the voters at Town Meeting on 3/11/08, as follows: Town Administrator to \$102,257; Police Chief to \$92,962; Fire Chief to \$92,962; Road Agent to \$86,604; Community Development Director to \$86,604; IT Director to \$80,340; Finance Director to \$76,312; Executive Assistant to \$50,796; and Recreation Director to \$48,204, effective 7/1/08).

Selectman Maddox agreed 100% to start looking at the budget—this year’s. He also agreed with Selectman Jasper, who pointed out his failure to remember that this Board, at the time, wanted to separate the people at the top from the second in command by 10% and this would most likely impact that delta. He is going to go against his better judgment to keep a commitment and a process that was started. He was torn but was convinced by Selectman Jasper’s passion, if not his sales ability.

Vote: Motion carried 3-2. Selectmen Coutu and Nadeau voted in opposition.

Selectman Massey agreed with Selectman Maddox, that now was the time to do this, not wait until September. The raises should not be automatic, but they should be tied to performance. They didn’t set that in process this year. Next year, raises should be tied to performance. They need to budget the money, but they shouldn’t be compelled to pay the money. As they go forward, one of the considerations they need to factor in is performance to any future increase; they shouldn’t be automatic.

Selectman Jasper agreed with Selectman Massey, but they need to keep in mind but they can’t look to private industry for police and fire chiefs or town administrators. They need to keep in mind they have good people working for them, who are doing a good job. He remembers when they haven’t been as lucky in all the positions. They have to be mindful of where they are, what the market bears and when they make decisions like this, they should not be snap decisions. He appreciated Selectman Maddox’s reconsideration. For the other two members, they have to discuss these things. They will lose people and sometimes they will be replaced at a much higher cost. They’ve seen what is out there is this bad economy for engineers, at the salary range. They shouldn’t assume that good, qualified people will come running here. These things should be discussed. He was passionate because he was taken by surprise that there was no discussion. Without question, they’ve got tough times ahead.

Chairman Nadeau said next year, he’d also like to tie in the raises to the job performances. For this year, the vote was to go forward, but in the future, they have to hold the department heads accountable for what happens in their departments and how those departments run. That’s one of the reasons he opposed a blanket 3% raise, which he’s never been in favor of. Just because everyone else is getting it isn’t sufficient justification.

Selectman Coutu wanted to make it perfectly clear that in no way did his vote reflect any displeasure with the work being conducted on a daily basis by any of the people that these raises were for. He, too, objects to across the board raises. He hated it when he first got involved in politics when he was 13 years old and he began to understand the system, proudly standing out there with an Eisenhower sign. He hates it today that people are paid on the basis of a flat rate as opposed to what they earn on merit. It’s time to take a step in that direction. If they had taken these individually, he might have voted differently. He may or may not run for election, but as long as he sits in this chair, he will never support an across the board, flat percentage rate for all employees. He’d rather vote individually, based on merit. If they earned it, they get it. If they didn’t, they don’t. He knows they are bound by union contracts, but they need to start somewhere. For the two months he’s been here, he keeps hearing it’s time they start doing something, but it obviously didn’t happen tonight.

Selectman Jasper said he agreed, but he also felt that when you have a process, you should follow it. If they are going to do merit-based, then they need to have a criteria. The didn’t give their department heads any goals or objectives. They can’t, at the end of the year, arbitrarily say they don’t like what they did. The Board didn’t tell them anything. They need to start that process now. Regarding unions, Hillsborough County has got all but one union on a merit-based system right now. It took three years with some of them. One still doesn’t have a contract and it’s been several years. They can do it. Hillsborough County has been fighting that battle for years. Is he satisfied that everybody is getting a 3% anyhow because everybody is saying everybody is doing a great job? He’s not involved at that level, but it seems like that may be the end result, but that doesn’t mean that’s the way it has to work, not if they set up goals and objectives in the contract. They can go to merit-based contracts and the model is right in Hillsborough County. He suggested that’s what they do with the next contracts and if they want to do something different for the department heads, he supported that, but it means this Board has to hunker down and sit down with every department head and develop goals and objectives that they need to meet in order to get the maximum raise. That’s the only fair way to do it. He’s all for it, but they’ve got to go to work to do it. He’s just not for changing the rules in the middle of the game because they told the people this is what they were going to do and the voters said yes, and this is what they’ve been doing.

Selectman Massey said across the board increases are no-brainers, administratively. Once they decide to go to merit, they better have some very good criteria, a good way of measuring against those criteria and they need to take subjectivity out of it. However, he has no doubt that some merit increases will be subjective. It’s the nature of it. If anyone thinks the magic bullet is merit, it isn’t. It is hard work to implement a merit-based salary plan. They need to start working on it now, not next April, to decide how they are going to do it, if that’s what they are going to do.

Selectman Coutu said he did not take Selectman Jasper's remarks personally, but accepted his apology, even though he didn't think it was necessary.

8. **NEW BUSINESS**

A. **Highway Department Schedule Change**

Road Agent Kevin Burns reviewed his department's fuel usage for last year and they were over budget for the fiscal year that just ended by \$30,000 due to gasoline and diesel. If they use the same amount of fuel this year, at the current rate they are paying, he's looking at a \$91,500 deficit and they paid significantly less for fuel last year than they are now. His proposal before the Board is just a suggestion. He has talked it over with the Union and they agreed to try it on an experimental basis--to change the schedule from five eight-hour days to four 10-hour days for a period of four months. During that time, he would evaluate the savings and report back to the Board to see if it's something they wanted to look at on a more permanent basis in the spring, summer and fall. His ultimate goal, on a monthly basis, would be to have a 15% savings in fuel. That might be optimistic, however, but he is doing what he can to think of ways to save money. If this can eliminate the extra commute to job sites, the extra fuel on sewer or drain projects. They work on live streets and, at the end of the day, they have to backfill. They spend an hour filling the hole in and the next morning, spend an hour digging that same hole back out again. It would eliminate one mobilization a week. He's heard on the news three other communities have instituted this program for their highway departments and Utah just did it for their entire state government, with the exception of police and emergency services and the Governor's Office. He thought about this; it is a start, so he was bringing this forward for the Board's consideration.

Selectman Coutu applauded Kevin for his initiative. There was a significant amount of snow this year, which he assumed added significantly to the fuel budget. Mr. Burns said absolutely. In 2005, they had a bad winter and used 35,000 of diesel, the same amount they used this year. The years in between, they used 28,000 and 26,000 so the weather has a definite effect on the amount of fuel used. Selectman Coutu didn't have any objection to trying a four-day work week. He wondered if people were on call in case of an emergency. Mr. Burns said there is a standby crew on off-hours. Selectman Coutu asked if everyone was going to take the same day off and if so, what that day was and why. Mr. Burns yes, and he selected Friday, which was what everyone else was doing. On Mondays, he and his secretary would have to be here. Fridays are the worst attendance days. More earned time is probably used on a Friday than any other day, so more of the crew would be available.

Selectman Maddox said Kevin would get an A+ for inventiveness. This is what they are looking for, thinking outside the box at what can possibly be done. He asked if the entire Highway Department was going to be off on Friday. Mr. Burns said yes. Selectman Maddox had a problem with that because no one would answer the phones on Fridays. With two admin people, one could take Monday and one could take Friday. Another issue is working a 10-hour day; there should be a half hour allowed for lunch. Ten hours is a long day to be in the trenches without a break. Mr. Burns said stopping for lunch is not the norm in the construction industry. These are the same guys that, in the winters, do 24 to 36 hours straight and no one is asking them to pull over for a break. If there's any group that can do the 10 hours, it's these guys. Selectman Maddox thought OSHA might have something to say about it. This would be a savings to the employees, who would be driving to work only four days a week.

Chairman Nadeau said he, too, was concerned about someone not being there to answer the phones on Fridays. Selectman Coutu didn't think this schedule would apply to Mr. Burns or his secretary. Mr. Burns said his secretary was part of the same union and subject to the same hours. Selectman Coutu didn't see the need for a secretary to be there 10 hours a day and asked what she'd be doing at 6:00 a.m. Mr. Burns said the same thing she does when she comes in at 7:00—payroll, purchase orders, bookkeeping, etc. They're not like the Police Department, who has a lot of walk-ins and phone calls. He believed on Fridays he could have his phone calls forwarded to another department.

Selectman Massey asked what the current work day was. Mr. Burns said 7:00 – 3:00. Selectman Massey said Fridays is one of the days they have trash pickup and asked what would happen if Pinard had a problem or questions. Mr. Burns said they'd call his cell phone, which is what they do on a pretty regular basis now, from 6:00 a.m. to 7:00 p.m. Selectman Massey asked what the federal regulations were relative to overtime--if they go to a 10-hour day, if the two extra hours considered over time. Mr. Malizia said no, it's still a 40-hour work week. Selectman Massey wanted to know what federal law says about an hourly employee that works more than eight hours a day. Selectman Jasper said it's based on 40 hours per week. Selectman Massey said he wants to make sure they get that answer, which has nothing to do with them. He wants to make sure they are not contravening federal law. Mr. Malizia said firemen work more than eight hours a day and they don't get overtime. Selectman Massey said they were a special class and there were different rules for police and fire. He asked them to verify this information. Selectman Coutu suggested Mr. Malizia contact the NH Department of Labor.

Selectman Massey said this was a great program if it winds up working and an area where they can save money. He applauded Kevin for thinking outside the box.

Motion by Selectman Maddox, seconded by Selectman Massey, to approve the schedule change, subject to agreement by the union in writing and that this is a temporary action and upon completion of period of time, they revert back to their normal work schedule on November 14 and they are agreeing that it is temporary.

Selectman Maddox wanted a plan in place to deal with the phones, and the Town Administrator knows what that plan is. Selectman Jasper said he was going to vote against this. He applauded Kevin for thinking outside the box, but he has some concerns about fatigue with no break in the summer, but he is more concerned about the impact it is going to have on residents at

6:00 a.m., having the construction equipment move in with the brush machine moving down the road at that time. There are complaints already about noise, which is mainly on the weekend, but he was concerned about the impact to people at 6:00 a.m.

Chairman Nadeau asked if they could change the beginning and ending hours. Selectman Jasper said even 6:30 because by the time they got out, it'd be more like 7:00. Mr. Burns said he chose 6:00 so they'd be dealing with only one rush hour instead of being out on the roadways during two peak hours. Selectman Maddox said but it'd be only for four days. He was concerned about the 10-hour workday, but he wanted to be flexible with the request. Mr. Burns said he hasn't sold his soul to the devil on this one. He'd be happy to stay the way they are, but this is a four-month experiment. If they try it, they'll find out the pros, cons and savings, if any. He'll come back in four months with a complete report and they can discuss at that time what they want to do.

Selectman Coutu said not to kid themselves; they're not working 10 hours straight—they're taking breaks. They must take a lunch. Selectman Jasper said no, two 15-minute breaks, by contract.

Selectman Maddox said he wanted to modify his motion to add, "the Road Agent can modify the hours to reflect best business practices, without coming back to this Board during the experiment." If Kevin thinks it makes more sense to push the time back to 6:30, he'll have the ability to do it. If he finds they need someone in on Friday, he'll have the discretion to do that. He wants to do what's right for the citizens and the Highway Department.

Selectman Jasper said the only reason they are doing this is to save fuel. It would seem that after a month, they'd know how effective that is. If they save only 2% of fuel, will they keep going for four months? Mr. Burns didn't think he'd be able to evaluate it in one month. Selectman Jasper asked if he had something by vehicle. Mr. Burns said yes, but it would be time consuming to pull all that information out. A month is too short a period to try to analyze the savings. Selectman Massey thought that it would be difficult to see a trend after only a month because of a lot of different factors, but it wouldn't hurt to see some interim data. Chairman Nadeau asked if the guys would still go out if it rains. Mr. Burns said they work in the rain now.

Motion by Selectman Maddox, seconded by Selectman Massey, to approve the schedule change, subject to agreement by the union in writing, that this is a temporary action and they revert back to their normal work schedule on November 14; further, that the Road Agent can modify the hours to reflect best business practices, without coming back to this Board during the experiment, carried 4-1. Selectman Jasper voted in opposition.

B. Request to Dig at 14 Derry Street

Road Agent Kevin Burns said Mr. Sullivan called him a couple of weeks ago. He wants to dig up a brand new section of Derry Street. He said the gas company told him Kevin wouldn't give them a permit, but the gas company never submitted a request, probably because they knew they wouldn't get it. The gas is on the opposite side of the street. Mr. Sullivan told Mr. Burns he knew a year ago that he wanted to install gas and never got around to it. The road has been under construction for quite some time, but now Mr. Sullivan comes to him, asking to dig up this brand new multi-million dollar project. There's no way anyone can talk him (Mr. Burns) into that, but Mr. Sullivan wanted to know who to appeal that decision to. He told Mr. Sullivan that he works for the Board of Selectmen and if the Board told him to request the permit, he would. That's why this was before them.

Selectman Maddox said in anticipation of this, he went out to check on a recently-paved street that had been cut into by the gas company. He was firmly of the mind that the Board should send all of the utilities a letter, saying there will be no cuts in that road for a minimum of three years, which is the town policy. He can already see the degradation on that street that was opened up because of an emergency. You can see where it is going to fail, so they would be insane (to open the street) because the town's portion cost \$1 million. That road has been dug up for two years. The request can't be justified.

Motion by Selectman Maddox, seconded by Selectman Massey, to deny the request and that a letter be sent to the utilities saying there will be no opening of that road for three years, without dire emergency, per the Board of Selectmen.

Selectman Jasper said he was going to vote against the motion because they all know the policy. Sending them a letter is a waste of paper, staff time and postage. That's why KeySpan didn't request the permit. This has been a long-standing town policy. They all know what it is. It will make the town look stupid because the request didn't come from a utility. They deal with these things every single day. It's not like this is the first road they've paved in town. They deal with this constantly. Selectman Coutu said this was a no-brainer. It's appalling to see new roads cut up. This has been under construction for two years; it's not like this person didn't know. He didn't think they needed to send a letter; this is a policy and they adhered to it.

Selectman Massey said it doesn't hurt to remind people what the policies are. Not all of the Selectmen know all of the town policies. It's not a big deal to remind the utilities town policy is they don't cut into the roadway for three years. Mr. Burns said he could simplify this. The gas company already knew and that's why they didn't request a permit to begin with. The only other utility that digs into the road is the water utility, and that's town-owned. Selectman Coutu said it's a no-brainer.

Selectman Jasper asked if Kevin felt it was necessary to send a letter because it sounded like a couple of people had just gotten stubborn about this. Selectman Maddox said then when someone cuts into the road and they say they didn't know that policy, they're going to wonder why they weren't told. Selectman Jasper said the gas company already knows. Mr. Burns said he is the one who signs the dig permits, and he knows the policy. Mr. Malizia said he could send himself a letter.

Vote: Motion carried 3-2. Selectmen Jasper and Coutu voted in opposition.

C. **Townwide Paving/Brox Issue**

Road Agent Kevin Burns introduced Mike Riley from Brox. Mr. Riley said Brox was currently under contract with the town to pave the streets and they have been the paving contract for at least the past 10 years. In the last four to six weeks, there has been a precipitous increase in liquid asphalt, which is an ingredient in hardtop paving products. As part of the contract, they have to abide by NH DOT specifications. His request to the Board was to obtain an increase in the contract, based on NH DOT procedure for liquid asphalt adjustment—an increase in the existing contract which was already bid.

Selectman Maddox said this was bid on May 28, 2008 and asked how many dollars he was talking about. Mr. Riley said if they abide strictly by NH DOT specifications, and the paving is done in July, it's approximately \$43,000. Selectman Maddox asked what happened between May 28 and today. He knows fuel prices are going up and he could understand if Brox bid this in January, but this was on May 28, and now they're asking for a 10% increase. He was having difficulty with the request.

Selectman Coutu said he felt the same as Selectman Maddox. At the end of May, they were all well aware that fuels were increasing, with talk of it going to \$5 a gallon by July 1. Having been in the business all of these years, he didn't understand how, whoever put the bid together based on the specifications that the town presented, which wasn't unlike any previous year, the higher costs were not anticipated and reflected in the bid price. They are assuming that the work was going to be done in July. What happens if it is put off until August? Will they be coming back, asking for more money if the cost of fuel continues to rise?

Mr. Burns said Brox was between a rock and a hard place. Brox has always honored their price, even if it has gone into the next calendar year, like they did with the money from the solid waste contract. They did the paving this spring at last year's prices. Brox has always been a great company and a great neighbor. If the town has a problem in the middle of the night, such as a natural disaster, they tell Kevin to go in and get it and have even given Kevin a key to their Hudson plant and worry about what was taken the next morning. Brox has always been there for the town. This is difficult for him because he is the guy who is always pinching the dollars for the town. Selectman Coutu said it wasn't the Board's intent to put him between a rock and a hard place. They were looking for his honesty.

Mr. Burns said Brox has always tried to come in at a reasonable bid. He didn't think they try to figure out what Continental or Pike is going to bid and then come in 30 cents lower. They try to be good, responsible neighbors and bid a fair price, where they make a little bit of money and the town pays a reasonable price. Brox and the town have a long standing, good relationship with the town, and he has been overseeing the townwide paving for over 20 years. This time, in their attempt to be fair and not gouge the town, Brox cut themselves short. The only other bidder was Continental, and Brox was under them by over \$8.50 per ton. They cut their own profit to nothing. The town probably can't afford to give them what they would like. He could eliminate the last street on the paving list, which isn't a street that's up for construction, but just a shim and overlay. He didn't mean to sound like a salesman for Brox because he wasn't; he just wanted to give a complete, accurate picture of the situation. If the Board decides to up the price to \$64 a ton, it's still more than \$4 below the next bidder and it would allow him to do all of the work, with the exception of the last street on the list. If the town holds Brox' feet to the fire this year, the good will that has been built up over two decades will probably no longer exist and Brox will probably just try to get in a few cents under the next guy--but it's totally up to the Board of Selectmen and he will fully support their decision.

Selectman Jasper said if he was doing this personally, he'd vote no because Brox has been blasting to beat hell and popping doors open in his house, so he's not happy with Brox. However, he will support this request, and urge the Board to do so because, from the town's standpoint, Brox has been there when the town has needed them; they have underbid year after year after year by a substantial amount, saving the town an untold amount of money. During the Mother's Day flood two years ago, Brox was there. If it wasn't for Brox, the town would have lost a lot of roads. They have never done this before; they have always honored the price and the town should meet them at the price Kevin suggested. Personally, he wouldn't want to do it because he is upset with Brox for shaking his house like crazy—and he is a long ways away from that pit. This is the right thing for the town to do. They could save a nickel now, but Kevin is right--they'd end up paying for it year after year. This is something no one could have anticipated, even in May.

Motion by Selectman Jasper, seconded by Selectman Massey, to increase the bid price to \$64 a ton.

Selectman Massey said the state of NH makes the classic example of how to lie with statistics, referring to a handout that was made earlier. The delta from March to April to May in the cost of asphalt shows a significant increase, but the cost per ton in June on the second page, the rise isn't quite as precipitous because they changed the Y axis to a different scale. Mr. Burns said they had to, or they would have been off the scale. Selectman Massey said that didn't matter; if you want to lie with statistics, you change the scale and it makes a big difference. He asked if, when the bid was made in May, if they knew what the cost was. Mr. Riley said yes and, for the record, he does all the bidding. The state calls three different supplies of liquid asphalt and they take an average of those three numbers. Brox knows the numbers even before the state knows them, but they didn't know the June or July number. Selectman Massey asked what the bid was for, at the end of May. Mr. Burns said \$59.45. Mr. Riley said the cost for liquid asphalt doesn't follow exactly crude oil or gasoline; it spiked in June and spiked precipitously in July. They don't have the July numbers yet, but he knows what he is paying in July and it's another \$100 on top. Instead of five thirty six, it will be six thirty six in July. In August, it will be even higher than that. The state will be paying a lot of money in this escalation for all of the paving that's done in the state, going forward. He didn't foresee this, nor did his competitors and he expects some of them are doing the same thing he is doing tonight.

Selectman Massey asked what the difference in price was between Brox and Continental. Mr. Burns said Continental was \$457,000 and Brox was \$396,000. Selectman Massey said he remembered the times in the past where the town has asked Brox to do things, and they've done it without any expectations of reimbursement. These are tough times, but in this instance, he'd be willing to cut Brox some slack—at least for this month.

Selectman Maddox said he wasn't wearing his Santa outfit. He bids contracts all the time and what he bids is what he has to live with. Brox is a good neighbor and whatever decision the Board makes isn't going to change that. Yes, Brox has helped the town. He asked if Selectman Jasper was going to recuse himself because he was annoyed with the blasting. Selectman Jasper didn't think so; only if they were talking about the land. Selectman Maddox didn't see the sense of having bids if they are just going to change them. He might have a different opinion if this was bid in January, but seeing it was bid in May, he is having a tough time approving this. He was not in favor of changing the contract one cent.

Selectman Jasper said he would normally agree with Selectman Maddox, but Brox has been saving the town money in the long run, and they should work with each other. He was looking at it from the long term, both from the past and moving forward. This is the reasonable thing to do. If they don't approve this, he's sure Brox will still honor the contract; they have it. This has never happened with anything before, but with anything involved with oil, he could understand. Most things they bid are shipped out and delivered right away. With asphalt, it's bid in May and delivered in July.

Vote: Motion carried 3-2. Selectmen Maddox and Coutu voted in opposition.

D. Central Street and Library Street Signalization Reconstruction

Selectman Maddox said recently he was at the end of Library Street where it intersects with Central Street, and he has a concern that that road, as it is being constructed, is problematic. He'd like some input from the Road Agent, the person who is going to be responsible for plowing this area. Mr. Burns said it would be extremely difficult to plow because it was too narrow. In some places, the lane is 10' and the current configuration has a long island out into the intersection. The front plow is 11' wide and they clear a 10' swath. They would have to be very precise in there and would have to pick the wing up. Tractor trailers will not make that corner, coming down Library Street to take a left. Chairman Nadeau said he witnessed that today. Mr. Burns said he spoke with Gary Webster about it and there was some talk about moving the island back 10' but something needs to be resolved before it's a finished product because it will cost more money to redesign it after it is completed.

Selectman Maddox said the Town Administrator, the Acting Town Engineer and he walked up to look at another issue, and as they were standing there, they saw a tractor trailer literally go completely over the right hand curb. Unless that truck driver is paying absolute attention, they are going to have a problem. He was going to bring this up under Other Business, but wanted to talk about it now because the Road Agent was here. He'd like the Acting Town Engineer and consulting engineer that's working on this project look at this fast and hard before they finish paving this and the town has to dig up their own road to make repairs. This needs to be fixed before it's finished.

Selectman Jasper said it was very disturbing to hear. Some time ago, Deputy Fire Chief Buxton brought this to his attention. He looked at the drawings with Gary Webster and, at the time, there didn't seem to be a problem because there would be enough ability to move out across, but looks on a plan are sometimes deceiving. About a year ago, he was concerned about the other side because they brought the curbing out and he knew there was no way a tractor-trailer could make that curve and they'd be running over little old ladies and mothers with strollers. They looked at that, but apparently paid no attention to the other side. They should have a lack of faith in whatever company designed that roadway and they should be responsible for fixing it. If a tractor trailer can't make the curve and if the plows won't fit, they've got a problem that needs fixing, but it shouldn't be on the town.

Selectman Maddox said there was a problem with gaining a piece of land at that peninsula, but they are building a boulevard for a sidewalk. The sidewalk was made 3' wide in front of the garage on Lowell Road. They need to move that in so the roadway is wide enough to make this work. The Board needs to act on this quickly. It needs to be fixed soon, before they are ready to finish paving, and then they are trapped. He asked if the Chairman wanted a motion. If Kevin can't plow it and every time a tractor trailer drives up over the curb, it's going to be worn out in no time at all.

Chairman Nadeau said he spoke with Mr. Webster this afternoon. They were looking into it earlier today and Mr. Webster was supposed to be in touch with Mr. Burns. Mr. Burns said they had a conversation yesterday about moving the island back. Chairman Nadeau asked for the will of the body. Selectman Coutu said they need to do whatever it takes to rectify it. He didn't think it required a motion. Chairman Nadeau asked if the Town Administrator and Road Agent understood. Mr. Burns said the point was taken.

Selectman Maddox said he was not in favor of eliminating the island; they should go to the right and take the land from there. The idea was to give some protection, to slow down traffic coming around the corner. Eliminating the island might be the fastest and cheapest, but not the best. Some thought needs to be put into this and not just try to fix what has already been done. Selectman Jasper said if they've got to go what way, they don't have the land, which should have been taken by eminent domain, like they did on Lowell Road. Why did an engineer come up with this if it doesn't work? The contractor isn't responsible because he is building this to specs. The curbing is in and the paving is down. There is money that needs to be spent. He asked if the consulting engineer has been involved.

Selectman Coutu asked if the consulting engineer was CLD. Mr. Malizia said yes, it was, and Mr. Webster has talked with them and had them clip off 10' from this island. If they need to move sidewalks, Mr. Webster can talk to them, but the town doesn't own any more land out there. Selectman Jasper said it's too late in the project to do that because eminent domain takes awhile. The island shouldn't be eliminated, but his concern is if CLD designed this without ample turning radius, who is going to be responsible for pulling up that island and fixing it. It shouldn't be the taxpayers when it was obviously not designed properly.

Selectman Massey said he was fuming because he was told, back when CLD was doing the original design, that they were redesigning that intersection to allow for an 18-wheeler to successfully make a left turn off Library on to Central. He was really distressed because he had conversations with the engineer back when CLD was designing this. They were going to reorient Library Street to be more perpendicular to Central and it would allow for a semi to make that left turn. The fact that CLD did not make that happen raises a lot of questions in his mind. The instructions were clear from what he understood; they were going to straighten out that intersection so they could make more of a 90° turn than it currently was at 45° turn and it was to accommodate an 18-wheel vehicle.

Selectman Coutu said Selectman Jasper was saying the island should not be removed and the Town Administrator was saying the engineer recommends removing the island. Mr. Malizia said CLD was redesigning the island to reduce it by 10'. Gary Webster has been talking with them about that, with the expectation that a tractor trailer would have more room to make that turn. Selectman Coutu said, having been a fan of watching town meetings on cable, he specifically remembers the 90° angle, and taking 10' isn't going to get them there, but it will give them the radius they need and, more importantly, it will give the plows extra clearance. Mr. Malizia said CLD told Gary Webster either yesterday or the day before they redid the plans that showed that 10' clipped off, and that's what they are working towards now.

Selectman Jasper said he no longer has any faith in CLD's ability to figure the turning radius for a tractor trailer since they messed it up on one side and now they've messed it up on the other side. After they pull out the 10' of curbing and before they reset the corners, they get a tractor trailer through there to see how well it is able to turn. Otherwise, they could be resetting it and have the same problem. He's sure Kevin could find someone with a tractor-trailer to test it out. Mr. Burns said wait five minutes and one would come along.

Selectman Maddox said they need to take it away from the right hand side because they don't need a sidewalk large enough to land an aircraft on. The sidewalk may be 2' narrower, but the road would be 12' wide. CLD will say a truck can make it through their design, if they know it's coming and are ready to make the turn exactly right—but that's impractical. Bring the ladder truck down and see how they navigate that intersection. This project needs to be fixed before it gets to final paving.

Selectman Massey said the picture in his mind is a tractor trailer trying to make a right turn off Lowell Road on to Central Street, always hitting the curbs. Most of them today, if they want to turn right on Central from Lowell, are in the left lane. That's the only way they can really do it. They don't have that option with this configuration. If they are going to change that intersection by changing where the island is, will that impact the placement of the stanchions for the lights. Mr. Malizia and Selectman Maddox both said no. Mr. Malizia said they were already in. Selectman Maddox said they're in, but not in the island. Selectman Massey said no, not the stanchion, he meant the base the pole is going to stand on is in place now, but it was set at a certain angle. If they are going to look at how they are going to change the intersection, they ought to make sure they are not going to wind up with the lights not being properly aligned.

Mr. Burns said a thought he just had was that they could leave the island as is, but make it a flush island, putting in the curbing at the same height as the road, making it a rumble strip that's clearly visible to the eye. The island would be in the same location, but if you drive over it or if the plow goes over it, it's safety traverses it instead of coming to a sudden, abrupt stop. It would also allow the island to stay right where it is designed, so all the lights and everything are at the same angle, but the tractor trailers would be able to travel safely over the end of the island when making a turn. It wouldn't be a raised island, but they could make it as visible and you'd hear it if you drove over it, with a rumble strip effect. He's seen them in other locations.

Selectman Jasper said that might work, if there's no signage on the island. Mr. Burns said there might be a Keep Right sign, but once the island is recessed flush with the road, you wouldn't need that sign. The pavement markings would direct people. Selectman Jasper said that would make it a lot easier to plow and was something that should be discussed with the engineers. It's worth exploring because, otherwise, it will be a real bear to plow. Mr. Burns said they've had more than one plow bent into an unnatural modification against a traffic island. Selectman Maddox said they'd work on it tomorrow.

E. Sewer Rate Recommendation for Fiscal Year 2009

Sewer Utility Chairman Bill Abbott said historically, the sewer utility has been in good shape, with rate decreases twice in the past four or five years. The time has come when they realized they are now at a point where they really do need a rate increase. They followed the procedure and had the Finance Director go through an exercise to find out what the rates should be—which should be done on an annual basis, anyway—and the recommendation is for a new set of rates. When they first went through it, the Finance Director's recommendation was for a 22% rate increase. The committee discussed it and, although there wasn't any quarrel with the number, the committee felt that it would be more acceptable to phase in the increase over three years. The result of the committee's discussion was an 8% increase this year. If they found that this wouldn't do it, then they would look at it again next year. With two rate decreases, the increase they are asking for now didn't seem too terrible.

Selectman Maddox asked for an explanation of a statement in the memo under Budget Information, "the increase in flat rate fees represents an 8% increase," but when he looks at the rate for a 1", 1-1/2" and 2", there is no change from 'current' to 'proposed.' Mr. Abbott said each of the rates that shows a dollar amount is changed. A number of them were not changed at all. A lot of these they have the rate for, there are virtually no connections for. For the 4", there maybe only one or two in town. Selectman Maddox said maybe it should say, 'the increase in non-flat rate fees.' Mr. Abbott said all of the fees on this recommendation were flat rate fees as opposed to the flow.

Mr. Malizia said there are two components in the sewer. When a Hudson resident gets a sewer bill, you have a flat rate—a charge for having sewer. Whether or not you put anything into it, you get a bill and 12 years ago, that bill was \$25 per quarter. The Sewer Utility dropped that rate twice, going from \$25 to \$23 and then from \$23 to \$21. Part of the reason was because they had a very large surplus. They had extra funds because of a rate that was giving them too much money. In essence, they were taking too much from the users. The goal was to spend some of that money off, give a break to the users, and that has been accomplished. The Sewer Utility is now looking at the rate structure and saying they've accomplished the goal of burning off the excess and now they need to get back to the reality of what it costs to run the sewer. There are two components, and this is the flat piece, whether or not a drop of sewerage is put into the system. Because not everyone has a water meter, some folks are calculated by bedroom count. There are no sewer meters, it's all based on water meter size, or number of bedrooms. That's why there is some variety in the proposed amounts. He's not sure they have any 4" customers in town for sewer; that's a big sewer pipe. He's not sure those rates were even dropped in the past. The predominance of the 5,000 customers are 5/8ths or 3/4 users. For those folks, this increase would be \$7 for the year. The Sewer Utility is saying they want to go back up because they've burned off the surplus and the excess. The rate model indicates they need to charge some other number.

Selectman Coutu said not only has the surplus been used up, but they're under the gun with Nashua. They throw costs at the town that the town has no control over and they need to be somewhat ahead of the curve in the event they get slapped with some enormous amount of money that's not there for them in order to pay the city.

Selectman Jasper said he opposed the rate decrease when it occurred because they could have gone years and years without an increase. When they decreased, they decreased the cubic flow, which they are not changing. Access means the person doesn't have any sewer, and they are going to increase the rate, but there is no cost to that. Access only doesn't cost the town anything; it's the flow that costs. He's not sure what the 5/8ths is—certainly not a sewer line. (He was told it was a water line.) He didn't know why they weren't metered. Mr. Malizia said to his knowledge, the town has never metered sewer flow. He didn't think anyone did. Selectman Jasper asked why a 5/8ths or 3/4" line coming into the house would have a flat rate. Why would that not be metered for water use. Mr. Malizia said they are metered for water use. Selectman Jasper asked why, then, was there a flat rate. Mr. Malizia said in the water utility, people also pay a flat rate to have that service before you take in a drop of water or put out a drop of sewage. There is a fixed cost to having this utility, no matter what you spend for the flow. Relative to the city of Nashua's charges, that's not totally in this part, it's more in the flow rate and the flow rate part of the model indicates the town is OK—the \$1.19 per 100 cubic feet of sewerage is a number that covers the cost. It's the other component, the fixed rate, that needs to be increased. Selectman Jasper asked if he was being told that all residents in town would have either a 5/8ths or 3/4" line going into their house. Mr. Malizia said from a residential perspective, it's about a \$7 a year increase. The only people with bigger meters are businesses. Selectmen said the people who only have access are paying, and they are not costing the town anything because the line is just running by, and the people who have wells are paying the bigger freight. Somebody with a four bedroom rate is going to see \$4 plus a month. Mr. Malizia said people with a well don't get a flow rate. Selectman Jasper said but they figured what the flow was for a four bedroom house. Mr. Malizia said there is a fixed piece and a flow piece. Selectman Jasper said they are going up \$4 plus a month, so they are paying more than somebody who is a 5/8ths, who will pay only \$1.68 more, if you're on town water. Even if you have one bedroom, you're going to pay \$3.11 more a month. He didn't like the rates at all. Selectman Coutu said it's based on a flat 8%. Selectman Jasper said it's the dollar amount. If you're on a well, you're really getting it put to you. They didn't do it this way when they lowered the rates; it was based on the flow. If the flow was going up, it would balance out for those on a well, but it looks like they are really putting it to people on wells. Mr. Abbott said it's still an 8% change. Selectman Jasper said he hates percentages because they are meaningless. If you're on a well, you're going to pay a hell of a lot more than if you're on town water and he didn't see the reason for that.

Selectman Massey said people who are on town water are paying this flat rate, plus a flow rate, so their bill is more than what they were seeing in front of them. The only bill people pay, who are on sewer but not town water, is the flat rate. Selectman Jasper agreed, saying the rates were supposed to say if you're on a four bedroom, this is what a normal four bedroom house would use, if you're on a 5/8ths or 3/4" line and that is supposed to equal out to what the average person would use on town water. When applying the increase, they are applying it to the whole amount for the person who is on a well, but they're only applying the 8% to small percentage and that's not right. Both of these people would have monthly bills almost equal. They're taking less than half. Say you're on a 5/8ths line and you have a four bedroom house, the rest of the bill should be approximately \$32. The flow charge is probably \$32, all being equal, but what they are doing is saying since you are on town water, we're going to give you a break, we're not going to give you an 8% charge on that \$32, but for the person who is on a well, we're going to sock you the 8% for the whole usage.

Selectman Massey asked how much someone with a three bedroom that's on town water was paying per 100 cubic feet going through their system. Mr. Malizia asked if he was talking about sewer or water. Selectman Massey said for the sewer flow rate. Mr. Malizia said \$1.19 for every 100 cubic feet, and the average house uses about seven 100 cubic feet a month times \$1.19. Selectman Massey said it's \$1.19 times 21 or 25; they'll pay \$25 plus (talking over each other). Selectman Maddox said it was \$28.88 for a 5/8ths meter, using five because he used his as an example. There are only two of them, but they have a three bedroom house. If that same three bedroom house was on a well, they'd be paying \$52.90. Mr. Malizia said he wasn't counting

the flow. It's \$22.68 plus five times. Selectman Maddox said \$21.88. He added five times \$1.20. Mr. Malizia said times three to get to a quarter. Selectman Maddox said they're up to \$40.28. Mr. Malizia said that was a little low; the average was seven. Selectman Maddox said if he turns on his irrigation system, all bets are off. Selectman Massey said if he turns on his irrigation system, he'd better have a bypass valve. Selectman Maddox said no because then he'd pay for two meters and he didn't even want to go there.

Selectman Jasper said the point was they're not impacting everybody the same. If they were telling him the rates aren't fair, the people who have a one bedroom well rate should be higher just because it's not working out to the same calculation. That's a separate issue than trying to raise money for the system. If everything is fair in this system, and everybody is paying what they should, then you should be applying the 8% to everything, not just to the people who are on the well and the access charge because it's not fair. They are hitting people who are on wells much, much harder—and they did not decrease the rates that way. Mr. Abbott distributed a handout to show what the current rates were. When they made changes, they made them pretty much across the board. Selectman Jasper said that's what he was saying; everybody went down by \$2 but not everybody was going back up by \$2. They went down one way and they're going up another way, and that's not right. Mr. Abbott said it looks like it must be a percentage. Selectman Jasper said no, it was \$2. Selectman Massey remembered that's what they did. Selectman Maddox said in 1993, that same three bedroom house that is going to go up to \$52.90 was \$83.21.

Motion by Selectman Maddox, seconded by Selectman Massey, to defer this to July 22, 2008 to have more information provided carried 5-0.

Selectman Massey asked Mr. Abbott if, in all of this discussion, are they going to be able to cover the anticipated costs that Nashua seems to be imposing on the town for the upgrades to the plants. He asked if that's what the charges were intended to cover. Mr. Abbott said in part. The Finance Director came up with a \$100,000 shortfall, so it doesn't get them back even. If they attempted to do that, the increase was going to be significantly higher, but he didn't remember the exact number. Selectman Massey said they ought to be looking at what the Sewer Utility Committee thinks is going to be required to cover the costs of the upgrades that Nashua is planning because their total cost is in the several tens of millions of dollars, of which Hudson pays 12.58%. If they wind up with a rate increase, he wanted to make sure it was going to handle everything, that they are not coming back six months later, saying oops, we need another rate increase.

Selectman Jasper said they still have monies in reserve, so it's not going to cover... there's not a deficit in terms of not having money to pay the bill. They've got plenty of surplus they're still whittling away at. They just recognized that the way they were going was going to dig a hole, so now they're going to go up and rather than doing the whole thing in one year, looking at several years. His point was since 1997, there have been two decreases, but the flow has stayed the same. There were two \$2 decreases and if the formulas are right and everything is fair, then the increases ought to be the same dollar amount. They ought to go back up in increments of \$2 or \$3 or whatever it is. They shouldn't change the formula. Increase the same way they decreased.

Mr. Abbott said the only rates that actually changed the last time were the 5/8ths and 3/4's. Selectman Jasper said no, the bedroom calculations went down \$2; every bedroom went down... Mr. Abbott said he was looking at the last change. (Talking over each other.) Selectman Jasper said if they are going to go back up, they should use the same methodology. Mr. Malizia said just put \$2 on everybody because that's what they did instead of futzing around with 8%. Selectman Jasper said he was fine with that. Mr. Malizia said there were six of them and they could do that right now. It's not rocket science. Selectman Maddox asked him why he made it so. Mr. Malizia said he didn't do it. Selectman Jasper asked if they should reconsider the deferral and get it done. Selectman Maddox said yes, since they've spent so much time talking about it already, saying he'd withdraw his motion. The recorder said the vote was already taken.

Selectman Maddox said he wanted to see it printed out, so he wasn't going to change his motion. Mr. Abbott said the direction to him was to get on paper the increase in the bedroom users up by \$2. Several Selectmen said everybody goes up \$2 because it's a round number and easy to deal with and will get them to where they are going. Mr. Abbott said that was easy.

F. Proposed Use Plan for Hills Memorial Library Building

John Knowles said they are moving the library to a new building, but they have an existing, wonderful building and they are trying to find a use for that building. There have been many suggestions of what that building might be used for. After talking to all kinds of people for several years, including doing a survey of public opinion, the idea that seemed most popular and made the most sense was to continue the use of the building partially as a library, but not as a circulating library because that's will be the new Rogers Library. Something the town has not had so far is a historical and genealogical collection. There is stuff all over town in various bits and pieces and this would be an opportunity to bring that all together into a building that was designed for that kind of thing. It's a wonderful building, but it doesn't really work for much else; it's not a large building. Someone suggested using it for a senior center, but it's not designed for that type of activity. The room they'd use is only marginally handicapped accessible, a bathroom would have to be added on that floor and there's no kitchen. They could put offices in there, but that wouldn't be practical, either. The area is designed to be an open, public space, not to be cut up in little cubes.

Mr. Knowles said he is no longer a Library Trustee, but he has been delegated by the Trustees to deal with this issue, and they are the ones that would approve anything that goes forward. The document in the Board's packet was a first draft of a general concept proposal and in many respects, incomplete. It contained a list of questions, some of which have been answered. In terms of refurbishing the building, there was a question of whether they'd have to upgrade the wiring. Apparently, they don't have to. There are problems with the wiring now, but it's because there are so many computers in the building. There is more demand

than the wiring is designed for. The wiring if OK, but there are other issues that need to be addressed. He's been talking to people, trying to get ideas and comments, but they're not at the point where they need to get approval from the Selectmen, but they would like the Board's support. They've already talked to the School Board and other non-official groups, such as the Historical Society. There are a lot of individuals in town who have material they might want to put into this collection. It's at the stage of trying to flesh out the general concept. He was present to talk to the Selectmen about the general concept and ask for feedback. What do they think about the general idea of the proposed idea and what problems do they see that might be involved in that design, or what questions haven't been addressed? The Trustees did some brainstorming and put everything down on paper. Most of the items under the Refurbish category would be up to the people who are running the library, and that would be, ultimately, the Library Trustees. If they keep this functioning as a library, there's no reason the Library Trustees shouldn't keep doing that. He hasn't run across anyone who has wanted to take over the operation of that building. There have been suggestions for various uses, but they want someone else to run the building for them.

Mr. Knowles said the funding issue apparently wasn't clear. He always thought it was silly to have a town government where one entity would pay another entity for some kind of service. For example, if the library had to pay DPW to clean the driveways. That's silly because it all comes out of the same pocket. It ought to be part of the town budget. There is no reason why the Selectmen should pay someone to run the library. If the town used space in the basement for storage, they shouldn't have to pay for that; it's still a town function. The funding for operating expenses would be part of the library budget, along the same lines as the funding for the Community Center. There is maintenance, operation, utilities, etc. They are not looking at adding new staff. This building wouldn't be open eight hours a day, but a limited number of specific hours each week where a person would be there, or they could do it by appointment. The Library Director thinks a designated person could handle that on a very limited basis, without increasing the budget anywhere. They are not asking the Selectmen for money, except for one exception. This is stuff that would be in the budget, and they would go through the regular process. In terms of getting the building organized for its new purpose, they don't have the funding to do that. Because the town, in the current year, will have already budgeted something for storage, maybe they could get some of that money. If the town didn't have to pay for storage, they could maybe kick that money into HML. It's that kind of thing they are talking about, nothing ongoing. Mr. Malizia said it's about \$225 a month.

Selectman Coutu referred to the statistics on Page 4 and said it looked like established costs. Mr. Knowles said it was an estimate and they were guessing at what it would cost to run the building. Selectman Coutu pointed out that there was \$1,000 listed for 'Other' in two places. Mr. Knowles wasn't sure what that meant. Selectman Coutu clarified that the Library was looking for one-time transitional costs under the heading of 'donations.' Mr. Knowles said yes and it would be money the town is already spending elsewhere. If they would need more money in terms of refitting the building, that's something they would have to deal with. This wouldn't be happening until next spring. The new library isn't going in until somewhere between March and July. If more money is needed for fit-up, that's something the Trustees would address in their budget. Selectman Coutu said his understanding was the revenues from the sale of the two homes on Ferry Street would be used to make the transitional move. He asked how the sale was going. Mr. Knowles said not being a Trustee any more, he didn't know.

Selectman Maddox said since the new library is going to be three times the size of the present one, he thought the genealogy would be included there. He sees no sense of keeping another building open for that purpose. He thought keeping books of that nature should be in a controlled atmosphere, a stable environment. He was opposed to doing anything with the current library building that would incur spending another dime. He thought the two mobile homes on the property would be sold for scrap and they would shutter (HML) until they have a use for it. They are trying to find a use for that building, and there is no need for that. With the current costs they are looking at, to incur more expenses, including staff time... and his expectation was that staff would be reduced because they will all be consolidated in one building... he was not in favor of any of this. Put everything in the new library; show it off. Until a realistic use is found for the current library... he didn't need Haselton Two.

Selectman Massey agreed with Selectman Maddox. Genealogy is great, but only two or three people a year would use the building. This proposal didn't seem to justify the money. The deed says when it ceases to be used for a town purpose, it reverts to the heirs of the Websters. His question was the translation of, "when it ceases to be used." He didn't think the estimated cost of \$25,000 a year justified keeping the building operational for five people. Not many people would be using a genealogy library. Mr. Knowles said genealogy would be only a part of it. What they are looking at is a general historic collection and there are items scattered all over the place. One large chunk would be about Benson's history. There are substantial other things he has heard of that he didn't want to mention because they belonged to individuals. That particular building is unique in town. The new library will have a community room, but there is nothing like the Hills Memorial Library that will be usable in the way it could be. It could be used for formal receptions, instead of bring people to the Selectmen's room. It's comparable to the Hunt Building in Nashua. It could be used for purposes other than storing paper materials. They are trying to deal with the town's history, and they want to do something that will give the town itself history. It's not just genealogy.

Mr. Knowles said he wasn't asking the Board's approval tonight to say go do it; they were trying to start a dialogue to see what kinds of objectives or comments they might get, as they go around and talk to all the different groups of people in town. The Selectmen are important because they are dealing with all kinds of issues, things he reads in the paper—fire stations, new town hall, etc.—and this is a comparable kind of thing. What does the town do to house itself? He asked everyone to take a look at this again and if anyone had any questions, now was a good time to ask them, and think about it.

Selectman Maddox said he strongly urged them to shutter the building until they have a real use for it. Don't try to find something just to do something. Selectman Jasper said if they did that, and he was a Webster heir, he'd be in court. Selectman Maddox said come back and put it on the tax rolls. Selectman Jasper said the building wouldn't stay. Selectman Maddox said yes, it would; it's on the national historic register. Selectman Jasper said that didn't mean anything; they could tear down a building on

the register. Mr. Knowles said this wasn't a building looking for a purpose; this was a purpose which they believe the town ought to have. This would be good for the town and it's the perfect location for it. That's where they are coming from. A lot of them have wanted something like this for a long time and now they have the opportunity to do it.

Chairman Nadeau declared a break. The meeting resumed at 11:10 p.m.

G. Cable Facilitator Candidates

Chairman Nadeau asked for the will of the Board. Selectman Jasper said to go with the top three—which Steve could figure out. Selectman Coutu said he reviewed the candidates and felt that three of them were worthy of an interview—Robert Fay, Stephen Gregoire and Jacob Nazarian. By reading some of the resumes, you'd think they have a lot of experience and are knowledgeable, but having written and fudged resumes for people, he saw a lot of fudge and icing. Of all the candidates, these are the three he'd be most interested in sitting down and discussing the position with. They still have to decide if they want to go the avenue they discussed before, that instead of having him work directly for the committee chairman, it would be through the Town Administrator's Office so they don't have the same problem they had in the past. He has given this a lot of thought, and having some experience in establishing a cable commission, he would like to interview these three candidates, along with the Town Administrator and Cable Committee Chairman. Selectman Jasper thought that was a good idea and he was satisfied with their choice of the top candidate coming before the Board. Selectman Maddox asked if these people knew it was a part-time job. Mr. Malizia said that's how it was posted. Selectman Massey thought it was great the proposed committee would interview the top three candidates and bring one forward to the Board. It was important the candidates know the position reports to the Town Administrator, not to the Cable Utility Committee. Mr. Malizia asked what that meant because he wasn't a 'cable guy.' Selectman Coutu said the person they hire would be qualified. What Selectman Massey meant was what they were getting to at their last meeting. When he and Selectman Maddox talked about trying to entice Jim to come back, they set up a procedure where the facilitator is accountable to the Town Administrator for his hours and for what he is doing, an overview. He'd pretty much come under the Town Administrator's supervision, but for technical aspects of the job, he'd still have to interact with the Cable Committee. Selectman Massey agreed, saying the Cable Committee makes the decisions, not the Chairman of the Committee. Selectman Jasper said the committee makes recommendations to the Board. Mr. Malizia asked if the facilitator's contractor invoices would go to him for review, make sure things look appropriate and if the Board gives direction, he gives that direction back. If that's what they are talking about, he's OK with that. The Board all said yes. Selectman Jasper said they should all get an electronic copy of the contract so they can mark it up. Selectman Maddox asked if the goal was available for the 22nd. Selectman Jasper said they'll come back when they are ready. Selectman Coutu said they can target the 22nd.

9. OTHER BUSINESS/REMARKS BY THE SELECTMEN

Selectman Jasper didn't have anything.

Selectman Coutu didn't have anything.

Selectman Massey didn't have anything.

Selectman Maddox at a previous meeting that the Town Administrator was not present for, the Board talked about cost containment and he is supposed to come back at the next meeting to bring them something, but it's unfair to send him off without any guidance. They need to talk briefly about where they think this is going to go. His goal is to reduce expenditures by \$600,000 or about 4% of the budget. He is looking at reduction in income, which they talked about earlier, gas that will go well above where they thought it was going to be. They just saw a \$40,000 increase tonight in one blink, and they are going to see more and more of that. They need to be pro-active today to contain costs, to cut back the costs. At the department heads' meeting tomorrow, the Town Administrator needs to tell them to make cuts, or five crazy guys will make them in the middle of the night. He knows they will not be happy. The Town Administrator needs to give the Board some guidelines where there can save. No one is going to be happy with this, but he didn't want to try to make it all up at once.

Selectman Jasper didn't know where Selectman Maddox came up with \$500,000 and they don't have anything that shows their revenues are going to be short by \$500,000. As somebody who is very familiar with the budget year in and year out, there is only one way to come up with \$500,000 without looking any place else—just lay off people, if that's what this Board wants to do because that's the only way you can operate and cut \$500,000. There isn't \$500,000 worth of anything else except employees. Selectman Maddox said yeah, so? Selectman Jasper didn't know why eight days into the fiscal year they were talking about a \$500,000 shortage in revenues. Selectman Maddox said he didn't say in revenues; he said that was part of it—and he said \$600,000. He asked if Selectman Jasper would rather wait till December. Selectman Jasper said no, but he didn't see the problem the way Selectman Maddox sees it. At this point, they have a \$70,000 - \$80,000 fuel cost, which may get worse. A lot of it is going to depend on winter in a lot of ways. They already have \$70,000 in contingency for that and they have another \$50,000 in contingency. They know they normally have lapses that run close to 1-1/2 - 2% if they don't do anything off line. That's about \$200,000. They don't have a dire situation at this point. They only thing they could talk about is laying off people and he didn't know where they'd go with that. It's not fair to have the Town Administrator come in with a list of people he'd like the Board to lay off. If there's going to be any laying off, it's up to the five Selectmen. He didn't even know if they could legally do that. They have an approved budget and there's no revenue shortage, at this point. They could get themselves into an unfair labor practice in a hurry. He thinks they'd have to have a reason and it's normally when budgets aren't approved and they don't have the budget to support the staff, but that's not the case here. He didn't think the sky was falling, but they have to be careful about what they spend. If they are looking for anything at this point, it's \$100,000 – and that may come back to bite him in six to nine months.

Selectman Massey said he was thinking more along the lines of \$250,000. They have \$70,000 that's already been eaten up by the Road Agent's estimates, which is a \$20,000 shortfall and eats into the Selectmen's contingency, which leaves them with \$30,000. Selectman Jasper said they've got a \$70,000 fuel contingency and he didn't eat that up. Selectman Massey said he's estimating a \$93,000 deficit for this year, if goes at the current rate. The Police Department would be adding another \$50,000 - \$60,000 because they have 40,000 gallons at \$2.15 and at \$3.70, that's about \$60,000. They should be looking at \$250,000 in cuts. At \$600,000, the only way they'd get to that number is with staff reductions. No way can they cut \$600,000 out of operating expenses. They are really looking at cuts in the town operating budget, not sewer and water, which are running pretty close to revenues and expenses. You can't tell people to stop flushing the toilet or to stop taking showers. They are down to a budget of about \$20 million, with all the warrants. Mr. Malizia said they didn't have a lot of warrant articles this year, either. Selectman Massey said bottom line, they should be looking at about \$250,000 and they've already identified a total of \$155,000 in estimated shortfalls in the fuel budget and they only have \$120,000 in contingencies that could cover that.

Selectman Maddox said they saw tonight the cost of petroleum-based issues, and it's going to continue through all things. They sky is not falling, but he didn't want to be Andy the Ostrich, saying nothing is wrong. They need to cut positions that are a luxury. That's what they need to do and he's trying to do it sooner rather than waiting and have to cut a big chunk of money out half-way through the budget. They need to look at where they can not fund positions, hold off funding positions or not filling positions and take it from there.

Selectman Jasper said if they look at the appropriation control report with what they had left over, back out Benson's, they spent some money on some things they didn't have to at the end of the year, they encumbered some things they didn't have to, and they still had \$400,000 left over. There's a few bills coming in, so say it's \$350,000. Add in the \$120,000 and there's \$470,000 available. They've got \$120,000 in two contingency accounts. It's hard to spend down a budget. Even the state budget, which is billions, they figure a 2 - 3% lapse. The town of Hudson almost always lapses 2%, which is \$400,000 and gives them \$470,000 in a normal year. There are things they didn't have to roll over. They encumbered a lot, some of which they didn't have to. In a normal year, there's a lot of monies left over that will be available. He didn't think they'd hit their revenue targets, but he still thinks they are going to be in good shape.

Selectman Nadeau said the new grader will be coming into the Highway Department this week. 95% of the line striping has been done. The recycle number is 28% which is 2,753 tons of recycled materials.

He agreed that the Board is going to have to look at the budget. He didn't think the revenues were going to be there with car registrations or from the state for rooms and meals tax. They are going to hit hard economic times in the next year or two. He thinks they should be looking at \$300,000 - \$350,000, if not more. The department heads really need to look at their numbers and see what they can do.

10. NONPUBLIC SESSION

Motion by Selectman Maddox, seconded by Selectman Coutu, to enter Nonpublic Session under 91-A:3 II (a) The dismissal, promotion or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him, unless the employee affected has a right to a meeting and requests that the meeting be open, in which case the request shall be granted; (b) The hiring of any person as a public employee, carried 4-1 by roll call vote. Selectman Jasper voted in opposition.

Nonpublic session was entered into at 11:35 p.m., ending the televised portion of the meeting. Any votes taken upon entering open session will be listed on the next agenda.

Motion by Selectman Massey, seconded by Selectman Jasper, to hire Ellen Brideau as Assessment Technician within the Assessing Department at \$21.27 per hour, effective August 3, 2008, in accordance with Step 2 of that position classification within the Hudson Police, Fire and Town Supervisors' Association Contract carried 3-2. Selectmen Nadeau and Maddox voted in opposition.

11. ADJOURNMENT

Motion to adjourn by Selectman Massey, seconded by Selectman Maddox, at 12:05 a.m., carried 5-0.

Recorded by HGTV; 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