

HUDSON, NH BOARD OF SELECTMEN
Minutes of the Budget Presentations of October 17, 2007

1. **Call to Order** by Chairman Shawn Jasper at 7:01 in the Selectmen's Meeting Room at Town Hall.

2. **Attendance**

Selectmen: Shawn Jasper, Ben Nadeau, Ken Massey, Rick Maddox and Doug Robinson

Staff/Others: Steve Malizia, Town Administrator; Kathy Carpentier, Finance Director; Fire Chief Shawn Murray; Deputy Fire Chief Neal Carter; Deputy Fire Chief Rob Buxton; Torrey Demanche, Executive Secretary; Helen Cheyne, Administrative Aide; Leo Bernard, Water Utility; Dave Yates, Recreation Director; Tom Tollefson, HLN

3. **Pledge of Allegiance**, led by Lt. Mickey Rudolph.

4. **Budget Presentations**

Water Utility (5591 to 5596)

Motion by Selectman Massey, seconded by Selectman Robinson, to reduce Line 5591-416 Water Administration by \$400,000 to zero and reduce the revenues from the fire hydrants (4792 Fire Access Fee) by that same amount.

Chairman Jasper said this was essentially the amount of taxes the Southern NH Water Company was paying to the town at the time, and just for the purposes of keeping things even kilter at the time, this was left in there, but it's just a transfer of money. If it is just netted out, it will eliminate an unnecessary transaction. He has spoken with the Budget Committee and they are in favor of this. The only thing they will have to do, as the Town Administrator reminded him, is to hold a public hearing to reduce the tariff by the time this budget goes into effect. It will have no impact on the water rates or on the tax rate. Selectman Massey asked if it was the revenue account 4792 Fire Access Fee that they were talking about reducing by \$400,000. Mr. Malizia said yes. Selectman Maddox sees checks written for \$15 regularly--checks passing to have an accounting to show consistency, to show it there. He's just saying at least it shows there was that payment in lieu of taxes, there is that back and forth. Chairman Jasper said they don't do that with the sewer. It was there because it was a private company, but it serves no useful purpose. Just to do something because they've always done it really doesn't make a lot of sense. It has no useful purpose. He's not sure it had a useful purpose at the time. He wasn't in favor of this when they took it over He wanted to eliminate it then, but the Board felt they were just taking it over and they wanted to show the numbers the way they were, but they are well into this now and it's something somebody has to remember to do; it's nonsensical.

Vote: Motion carried 5-0.

Fire Department (5710 to 5770)

Fire Chief Shawn Murray introduced his staff, as the budget process is truly a team process and everyone plays an integral part in putting it all together. The lead person is Torrey Demanche, the Executive Secretary. Also with him was the Administrative Aide, Helen Cheyne, the EMS Coordinator, Call Lt. Mickey Rudolph; Deputy Chief Carter, in charge of operations, and Deputy Chief Buxton, in charge of support services. As they go through the budget, when it is appropriate, he will defer to one of the aforementioned personnel. This year they were given a parameter goal of 0% increase in the operational budget. The Fire Department has met that goal. As indicated in the budget backup, the overall increase is actually a decrease of .5% below level funding. If they look at the entire budget, including the salaries and benefits, the overall increase is .8%. In addition to the budget, there are a number of items outside the budget for the Board's consideration. They also have three warrant articles, when the Board was ready to discuss them. Chairman Jasper said they'd do the warrant articles when they finish the operating budget.

Selectman Robinson said he handed out to the Board a history of the 2005 overtime accounts for the town, separated by cost groups. He thought it would be easier to do this instead of flipping through pages. On the sheet he handed out, in 2005, the Fire Department spent \$388,713 in overtime. In 06, they spent \$402,000 and in 07, \$460,000. The FYO budget is \$451,000 and the proposed overtime budget in this budget is \$450,000. Chairman Jasper said this was very good information and thanked Selectman Robinson for having it put together, but they are going to concentrate on fire administration, so the overtime component is a budget of \$1,040. When they get to suppression is where most of the comments will be appropriate. Selectman Robinson asked how he would go about going forward with this. Chairman Jasper said when they finish with admin, they will move on to facilities, communications, etc., and somewhere along the line, suppression. They are going to do the larger budgets by sections.

Selectman Maddox brought up 5710-269 software maintenance. Chief Murray said that was the IMC software, the dispatch software, the annual maintenance upgrade on it. It also includes the Telestaff scheduling software program, the maintenance agreements on that software. Selectman Massey said he wanted to refresh his notes and asked for a clarification on the two line items, the IMC software and the scheduling program maintenance. He asked if the maintenance fee for the IMC software was 4725. Chief Murray said that was correct. Selectman Massey asked if that was going to be an annual cost. Chief Murray said yes. Selectman Massey assumed that cost was based on some percent of the original cost of the software, which is the normal practice. Chief Murray said he believed so.

Selectman Maddox said he wanted to be on record as reserving the right to come back to this section later, as they progress. Chairman Jasper said certainly, that any member of the Board has the right to come back to any section of any budget until the Board votes on a bottom line and passes it on to the Budget Committee. There are as many bites at the apple as they'd like until they finish.

Selectman Massey referred to 5710-302 and asked if he currently had both of those copiers in-house, or if he was proposing to buy a new one. Chief Murray said they are in-house; they just entered into a new lease.

Selectman Massey referred to 5720-212 and said they were showing an increase of \$2,000 and he needed to understand why the maintenance would go up that much, since they only had the radios in place for a year. Chief Murray said last year, in lieu of signing a service contract with a radio vendor, there was a proposed radio service contract around \$10,000 and he's not sure if it was the Selectmen or the Budget Committee that went along with that, but the alternative was to ask them to fund this line for \$5,000. There is new equipment, but there still is some antiquated sub-systems to the new system. If anyone has been upstairs in the Central Fire Station and seen the radio room, they know the new digital radio equipment sits on racks in a closet and they struggle during the summer months to keep that room cool. Anyone could trip over the multitude of wires that are in there and take down the whole radio system. Next year, they are asking for an additional \$2,000 and the plan is to have that radio rack and equipment relocated from that closet into the larger, main room and that will encompass having the build wall racks, etc. The cost estimate was what they got from the radio service people to move that equipment and install the wall racks. The system right now is very, very vulnerable because of the room that it's in.

Selectman Maddox referred to 5720-319, Class A Uniforms, and asked if half of the communications staff gets new Class A uniforms and asked if it was a coincidence it happened this year. Chief Murray said yes, and it's contractual. Selectman Maddox said 5715-224 asked if they did 10 furnace cleanings a year for four buildings. Chief Murray said there are multiple systems in Central Station, two in fire administration, one main boiler at Robinson Road, the boiler at Burns Hill, and there are at least five condensers at Central Station, which is all part of it—heating, ventilation, air conditioning.

Chairman Jasper said they'd move on to suppression, the largest portion of the Fire Department's budget, 5730 accounts. Chief Murray said this line is up half a percent this year. Chairman Jasper said that's including salaries. Selectman Massey asked about 5730-102, the \$25,000 increase. Chief Murray said that's the call firefighter line. Two or three years ago, they reduced it because the numbers weren't there, but they are now planning on, hopefully, putting on another 10 call firefighters within the next month or so and, too, they instituted the ride-along program, which has been very successful and they are having more participation by the firefighters. With the increase of calls, he thinks it is time to bring that back up. At one time, it was funded at \$75,000. Chairman Jasper said that was his recollection, as well. The actual expenditures for 07 were \$67,000. Selectman Massey asked how, on 5730-105, the Chief calculated the 8,000 hours of earned time use because if he divided that by all of the employees, with the exception of the three operating officer, the Chief and two Deputies, that comes out to 186 hours per person, per year, which is almost four and a half weeks of time. Torrey said it does look high, but when they looked at what they were actually paying out in earned time, and what the earned time usage is going on in the department, this is in line. Selectman Massey asked if this included some buy-back, because he wouldn't have come up with that number, if they had buy-back in there. Torrey said no. These are based on actual hours they are processing for earned time. They have detailed reports of all the hours they are processing and which categories in which they are paying the individuals. They will provide that to him, and it will be in line with the processing. Selectman Maddox asked, to that end, if she was coming up with the final figure and plugging in the numbers to make it fit because they are carrying that 3012 for everything. Torrey said that was an average hourly rate. Selectman Maddox said that's what he was saying. Was she getting that 8,000 by her experience over the last several years with \$240,000. He agreed. He didn't see how she got to that number, but if she was carrying some of the people that have left or will leave, that's why she plugged in the number and the hours kind of backed into it. Torrey said they have an average hourly rate that they calculate the average hourly rate that hit 5730 and they have their average hours of usage for each category, and that's how they calculate what their estimations are and they pretty much run each year what they ask for and the amount of hours they are spending in overtime, they're usually very close, unless, of course, people are retired or unexpected sick leave time, but they are usually very close to that number. Chief Murray said one year, they tracked all of their overtime on a spreadsheet of all the different categories and she will forward that to the Board, and they will see that it follows along.

Selectman Massey said when he looked at this, he saw three related items, and he was wondering how they all play, given the fact that they added two firefighters to the force this year. Obviously, it was the earned time, because you are using other personnel to cover people who are out on their earned time, and he understood that, it was just the 8,000 hours. It would suggest that, on average, every member of the force is taking 186 hours of earned time per year, if he does that. The second piece was call back coverage. Again, he was trying to understand, with the two additional firefighters, why they would have an increase in call back. The final one, which is a little bit different, they show 500 hours of special detail. He looked at it and say if you have five officers for 10 events, that would mean each one of them would spend 50 hours. He was trying to understand those three items in the overtime line item. Chief Murray said his entire overtime request for this year is up by 3%; they have not fundamentally increased the hours of the overtime account, and that's due to the 3% and the two new personnel. As far as special details go, events like Old Home Days use a significant amount of people there. They are provided coverage for high school football, so those are all the types of details involved in there. What becomes problematic is they are not back-filling the school and they're not charging Old Home Days for that. That is a decision the Board made a couple of years ago, that it's almost a wash. He will provide a one-year's breakdown of all these categories and where they are spending their time and that's what they based their budget request on again this year. Selectman Massey said from his perspective, the only three he was really interested in was the correlation between earned time and call back, in terms of how they came to the numbers they came to.

Chairman Jasper asked if Selectman Robinson wanted to touch on overtime, since this is the biggest area of overtime in the Fire Department. Selectman Robinson said, back to the charts he distributed, FY05 actual of \$388,713 the Fire

Department has grown to 402, 460, 451 to a budget amount of \$450,121 for 09. The Chief and Deputies have done an outstanding job with their budget, coming in at .5. This overtime budget, going back to 2005 is just compounded annually to a growth of a significant amount of dollars.

Selectman Robinson started to make a motion to decrease 5710-105, then asked if he could do all of his motions at one time, or if he should do each one. Chairman Jasper said if he was going to do a motion for multiple accounts in 5730.

Motion by Selectman Robinson to decrease Cost Center 5730-105 from \$408,849 to \$364,131, a decrease by \$44,718, seconded by Selectman Maddox for discussion. (subsequently withdrawn, following discussion)

Selectman Robinson said each year the salaries have increased by 3%, and that is fine, that is the way the contracts are written, but better control of overtime is needed. They have the Police Department in the same amount of time that has decreased their overtime by 4%, and since 2006, the overtime in the Fire Department has grown 15.79%, since that date, has grown in this account from \$364,000 to \$408,000. It's time they started budgeting those accounts for reality and to hold the line on overtime. Chief Murray asked the Board to not look at the total amount of the overtime, and he wanted to provide the Board with an example. He said Chairman Jasper can attest to the fact that back in 2003 when he took over as Chief and overtime was over \$500,000 in the suppression line alone. At that time, he came before the Board and they broke it all down. He maintains the other cost centers, like Fire Administration, Fire Prevention, and the only time you see overtime there is for fire investigations, fire setter issues, or if they have to go out and do something for the community. The accumulation of the other \$50,000 is all the other cost centers. Back in FY04, the request was \$419,000; 05, \$396,000 and from 05 right up to 08, they have kept that overtime budget in suppression at \$396,000. The reason it jumps from \$396,000 to \$408,000 this year is based solely on the fact of a projected 3% increase. Chairman Jasper said the numbers he was looking at were not consistent with what the Chief was saying. The FY08 budget was showing \$413,000 so the book was showing a \$5,000 decrease. Chief Murray said he was trying to show the Board the department has consistently maintained the same level of funding. The only difference this year is because of contractual reasons. Chairman Jasper said that's what he was driving at. The actual budgeted numbers show a decrease, not an increase. Chief Murray said that was right, they were down 1.2% in overtime this year. Selectman Massey said from last year's proposed to this year, they were down .3/10's of one percent, and the year before, they were down 2%. Chief Murray said when he is fully staffed, he is fine, and he may even come under that number, but any time anyone goes out on disability on a long term injury, that's when he starts getting in trouble, and those are the things that are unpredictable. They are doing the best they can to try and keep that under control. Sometimes contractual items are beyond their control, and that's what's driving the increase and has driven the increase for the last two or three years. Selectman Robinson asked if he was saying the contracts are telling them they have to budget \$450,121 in overtime. Chief Murray said no, but if they have a cost of living adjustment for the firefighters, their pay rate goes up. Subsequently, when they are paid overtime, that costs goes up too, and that's what's driving the cost up. Selectman Robinson said he was of the opinion that the overtime account was very fat. Chief Murray said his history shows that actually it's not fat; they are coming right to the line on it. Selectman Massey said he wasn't prepared to vote on this motion tonight because he'd like to better understand what the Chief has indicated he will provide in the way of the overtime for earned time and the call back, so on that basis alone, this big of a cut he'd not be able to support. He's not certain he could support it anyway, this large of a cut, but certainly without knowing the ramifications of the 8,000 hours. Selectman Nadeau said he also could not support cutting \$44,718 out of this account. He does think they could make some adjustments to this account, but not this far. He will wait to see what the paperwork that comes from the Chief shows. Chairman Jasper said he can't support the \$44,000 cut. He thinks the Chief has done a very good job bringing overtime under control, when compared to where it was going with his predecessor. He does have some concerns about covering all positions at all times, but those are discussions they should be probably be having in a workshop setting to better understand where the Chief is coming from, rather than making an arbitrary cut of \$44,000 in an account that is going down \$4,000. While there is a concern that this has grown from \$346,000 in 05 to a projected \$408,000 in 09, he didn't have enough information in front of him right now to make an intelligent decision. He needs to look at things like how many times are day shifts for Captains covered, and do they have to do that because they have three chief officers in the station. Is that critical? How much many is that costing? Those are the things that the Board ought to look at, but not in this format. Selectman Maddox asked, to that end, if he preferred that the motion by withdrawn and subsequent information provided to the Board before they can make an informed decision. Chairman Jasper said that might be preferable; he can withdraw his second and the motion would die for lack of a second. Selectman Maddox didn't want it to die; he wanted it to come back with the information that Selectman Massey has asked for. Chairman Jasper said if it dies, a new motion could be introduced because it hasn't been acted upon.

Selectman Robinson withdrew his motion and Selectman Maddox withdrew his second.

Motion by Selectman Robinson that the Chief come back with the paperwork that would support his numbers. Chief Murray said he absolutely would. Chairman Jasper said that didn't require a motion because he was going to do that anyway.

Chairman Jasper asked if there was anything more in suppression. Selectman Massey said the Chair was going too fast. On 5730-205, the latter two refurb on the electrical system, he didn't understand why that, when they send the vehicle out, and he knows what they were doing, what caused this now to come up as a cost., since they just spent over \$100,000 to fix the original problem. Chief Murray said the engine replacement was approximately \$41,000 (talking over each other). Selectman Massey said when they sent it out to have the ladder fixed. Mr. Malizia said that was with insurance money, two years ago. Selectman Massey said in the vehicle replacement schedule for Fiscal 2016, if they spend this, is that going to make that 2016 still possible? Chief Murray said absolutely. The reason Ford authorized the replacement of the engine

after the hydraulic failure was they wanted to extend the life of the ladder, and knowing that very well if they put some additional money into it, they would extend its life and that is what they have done, to 2016. Selectman Massey said he has two other areas, so they don't lose them. On 5730-237, he asked if the training manikin was a replacement and the LCD projector, or if they were new additions to the training program. Chief Murray said the training manikins are new. They have a training manikin that's about 20 years old, and is due for retirement. This is a life-sized, full weight manikin and it's taken its toll on him. That provides them with the most realistic training. They used to make hose dummies, and they would just loop up hoses and tie them together, but that doesn't give them the realism of a 200 lb. person. The LCD projector is new, too. Capt. Grebinar moved the training division up to Robinson Road, where they are doing a lot of the call training, and that is needed for him to do his programs. Selectman Massey asked what he was using now. Chief Murray said they have a fixed unit at Central Station in the training room. Selectman Massey said his last item was 5730-319 and he couldn't understand—there are seven turnout boots, 10 turnout pants and 11 turnout coats. Are those replacements in the normal sequence? He knows these things have to be replaced on some regular basis because of their deterioration relative to fire retardant. Chief Murray said some of them are replacements, some of them are new equipment issued to the 10 people they are bringing on. Typically, they try to fit them with any old gear, until they get through the probation. They stopped buying them new gear right off the bat. That could change in the future. They are still in the running for the gear replacement with the Assistance to Firefighters grant. He hasn't heard anything yet, which might be good. That could potentially change before they get to the final budget. He would notify that Board, if necessary, but they would keep a couple extra sets because of gear that gets damaged.

5740 Accounts, Fire Prevention. Selectman Robinson asked the Chief to address 5740-105, Overtime for Fire Prevention, coming in at 6388 against an actual last year of 4400. Chief Murray said they are moving overtime to the appropriate areas. For example Fire Inspector Triolo, if he did a juvenile fire setter intervention, they were taking it out of suppression. They really want to show where their overtime monies are going. This year, they are projecting his hours and putting them under the Fire Prevention Division, so they have will have a clear indication of where they are spending that money. Additionally, it also requires that 3% increase, based on him and Fire Prevention Officer Dube.

Motion by Selectman Robinson to decrease Cost Center 5740-105 from 638805 to \$4,500 for a difference of \$1,188, seconded by Selectman Maddox for discussion.

Selectman Robinson said, once again, he thinks they need to control the overtime. Because salaries are going up doesn't mean overtime has to go up, as well. Selectman Massey said the backup indicates they are doing 25 fire investigations. Why would those be on overtime and not on regular time? Chief Murray said it's only used if it's after hours and the investigator is called. Selectman Massey asked about fire inspections. Why wouldn't those be done during normal duty hours? Chief Murray said most of the time they are, but in providing a service to the public, sometimes a home owner can't make it during normal hours, and they are accommodated by going out after hours, doing the inspection for them. It's not a common practice, but it does happen. Selectman Massey asked how many meetings were involved with the Junior Fire Setting meetings; they have 50 hours. Chief Murray said, unfortunately, they were seeing a lot of junior fire setters, which is a regional project. For example, if there is a juvenile is setting fires, or displaying fire setting tendencies. Instead of steering them towards the court system, they are doing this intervention. They've joined forces with Merrimack and Nashua and they take a team approach to this and put the offender through an educational and intervention program with the parents in an attempt to stop those behaviors early on. They've been investing a lot more time in that in the past few years, but it has been very successful in helping those juveniles that need that assistance. Selectman Massey addressed public education and asked if those were the seminars where they take Freddie the Fireman and those types of programs. Chief Murray said yes, at Old Home Days and events like that, or if they get a request from a local business or community event. Selectman Massey asked where the Chief would take the time from, if the motion passed. Chief Murray said he'd grab it from suppression or another overtime line, if he has to, to make up the difference. Selectman Robinson said if they know the plan and are working the plan, why do they have to schedule overtime for the plan and not schedule it within the normal work day to execute the plan? Why do they need to do the overtime to do the plan? Chief Murray asked what plan he was talking about. Selectman Robinson said they are going public education. That's part of what the Fire Department does. Fire inspections should be done during the day, Juvenile Fire Setters meetings, whenever they are, and if they are at 4:00 in the afternoon, why wouldn't the shifts be adjusted to take care of that. He didn't understand why they need to schedule overtime to do what the plan is, and this is the plan. Chief Murray said they are trying to accommodate the citizens who are requesting the services. Selectman Massey said he was going to oppose the cut for two reasons. Number one, the Chief has already indicated he is taking this overtime out of suppression and putting it in here for some of it, and secondly, when he looks at all the things he's doing, and he understands why he has to do some of it at night and on weekends, he thinks this would be a justified expense, especially the first three items—the fire investigations, the Juvenile Fire Setting and the fire inspections and public education, as they are beginning to understand, the more the public understands how they can use preventative practices in their homes and in their businesses, they can cut down the number of fire calls, so he thinks this would not be a prudent cut. Selectman Nadeau didn't think this was a prudent cut, after hearing what the Chief had to say, but he had a question on the Fire Inspector's hours. They usually work 8:00 to 5:00? Chief Murray said they do, but they've also had discussions with them about their working hours. They are looking at a number of things. They've talked about altering their work hours a little, working a couple nights a week on plan reviews, if they can't get caught up because of the inspections and everything else they have during the day. Unfortunately, it comes down to the contracts, which says they will be paid time and a half over 40. It's not like they aren't willing to be flexible, but there are situations where it's going to come up. Selectman Nadeau asked if they could say they would use Inspector Dube 9:00 to 6:00 on Monday, Wednesday and Friday and 10:00 to 7:00 on Tuesdays and Thursdays? Is that something they could do so they can do night inspections/ Is there anything in their contract that says they can't work those

hours? Does it say they have to work 8:00 – 5:00? Chief Murray said not necessarily, but it is a change in working conditions. They need to check the contract to make sure. Chairman Jasper said particularly with the Fire Starter Program, if that starts at 4:00, it probably goes beyond what is allocated. They know this is an on-going program and they have to have some flexibility, so they are not paying overtime to take care of this. He'd prefer that the motion was \$5,000 because it has been up there, but he will support the motion. Selectman Maddox said he was going to vote in opposition, even though he did second it for discussion. Again, they are playing with the margins. They need to hit the big things, and \$500 here and there doesn't make any difference. Chairman Jasper said he'd take any of the \$500 he gets thrown his way. Selectman Robinson said there is an expression in his world, "Take care of the pennies and the dollars take care of themselves." Plan the work; work the plan. You have a schedule; you just make your schedule work, and if you have to look at the contract, you look at the contract, but what he has here, it can certainly be done, unless he is missing something. Chairman Jasper said he didn't mean to be flip because he doesn't want to see them doing \$200-\$300 motions, but over \$1,000 is worth looking at, and this one is \$1,800.

Vote: Motion failed 2-3. Voting in the affirmative were Selectmen Jasper and Robinson.

Chairman Jasper asked if Selectman Massey had anything else before they move on. Selectman Massey said just one. Item 5740-237, this was the same amount as last year. Does this mean that every year both inspectors attend the St. Anselm's course, or is it a different type of course every year? Chief Murray said they do not attend every year; they swap them back and forth. The curriculum does change to some extent. As they attend the St. Anselm program, they accumulate certification points toward an arson investigator, so within the next couple of years, both of those individuals will reach their certification level, and they won't need to send them any more. If their workload is too much, or if they can't make it, then they typically will send a Lt. or Capt., with the bigger goal being getting them more familiar with fire investigations and, perhaps, even to the level that they won't need to call in a fire investigator at night, if it's a simple fire and they can follow the typical documentation of a fire investigation.

Chairman Jasper said 5750, that they did cut back the capital reserves on the ambulance because they had built up excess, and asked if they were still looking good for the next ambulance, at \$30,000? Chief Murray said later on in the evening, he was going to request an increase of \$10,000. They have an ambulance coming up in next year's budget process and, in an attempt to look at bigger and different chassis, he was going to ask for more. Chairman Jasper said this was the appropriate time to do it. Chief Murray said in their backup, he talked about increasing the ambulance capital reserve. As of June 30, 2007 there was a balance of \$70,796. As of July 1, 2007 which is FY08, another \$30,000 was added for a total of \$100,796. In his budget, he kept the request at \$30,000 but asked the Board to consider increasing it by \$10,000 which will bring them up to about \$140,000. They got a real good deal on the last ambulance they bought, but he'd like to explore a different ambulance chassis, a bigger one. They've had Ford chassis for a long time and they are told from the ambulance industry, that there is a lot of uncertainty there. Whether they are going to continue to go with Ford chassis, he didn't know. There are new ambulance dealers coming out with GMC and Chevy chassis, a little heavier duty.

Selectman Maddox said this was an item to look at, but not for having them fund an additional \$10,000. He and the Chairman have talked about this and think this is a time they should be asking the Chief to get them some numbers, inasmuch as they need to look at what their contribution is from the town of Litchfield. Hudson is providing ambulance service to a greater degree and unless someone gets into that ambulance, they are not charging. They need to look at, and he thinks they would understand, that at some point, there is a cost to having Hudson provide EMS to the paramedic level to their town. That's where he always thought the additional monies would go, to that reserve fund, but he is not going to vote to put this in now. He thinks it's something they need to look at at a workshop, to advise over the next few months, Litchfield that this could possibly be an issue. Chairman Jasper said that's fine as a revenue item, but that doesn't solve the spending problem. You have to have the appropriation. You can get all the money in the world from Litchfield, but the only way they can put that money into a capital reserve account is through the budget process. While he agrees with Selectmen Maddox and, in general, looking at calls where the ambulance goes out is essentially no billable service, it's one thing to look at Hudson and say the taxpayers are paying for it through their taxes and it's another thing to look at those cases in Litchfield and say hmmm, why are the Hudson taxpayers paying for that benefit to Litchfield? But that doesn't fund this. Chief Murray said the citizens of Litchfield are paying for paramedic level service if they are given advanced life support. They are billed in their ambulance bill at an advanced level support rate. Additionally, the town of Litchfield pays Hudson a subsidy on top of what they are charged for ambulance bills. Chairman Jasper was correct in saying that the situation they are in, those revenues they receive from Litchfield go back into the general fund. That's the missing link. Selectman Nadeau said with that being said, how much money do they get from Litchfield for providing them ambulance service. Chief Murray said they have it all broken down because they just did the whole exercise with the dispatch fees, but he didn't have it with him. Torrey interjected that it was \$28,000 to \$32,000. Chief Murray said that doesn't include what the citizens of Litchfield are billed for the ambulance service. There is a formula they use, which accumulates the additional subsidy and it's based on the amount of calls. (Talking over each other.) Selectman Nadeau asked why that would be put in an ambulance capital reserve fund instead of putting it back to the revenue for the town. Chairman Jasper said they could get into all of the special funds, but it gets complicated. It's uncertain revenue. Generally, his opinion for the best way to do it is to look at the revenue as an offset. It all comes out exactly the same. The impact is exactly the same. You can create accounting nightmares if they start setting up special funds all over the place and they have no control over what's in there. He didn't think that was a good way of doing business. It's better to keep an eye on what they have for revenues and decide what they need to expense. Their expenses should be done, based on need, not just on how much money is coming into the kitty and that's what happens when you say this much money came in, so we can buy bigger and better, but is it really what they need to do? Chief Murray said like they did with the fire truck, where

they took what they could out of the apparatus reserve fund, then the Board used some of the unexpended fund balance, too. That could be another potential option, whether it is put in the budget now, or considers it next year. Chairman Jasper said then that becomes a warrant article and, again, very complicated. They had been funding this at \$40,000 but at the time, they had more money in there than was necessary. This was intended to be a short-term decrease, just to pull those down for an ambulance purchase, never thinking at the time that \$30,000 a year was going to fund the next ambulance. This is the unintended consequence of finding \$10,000 that they didn't need at the time.

Selectman Massey said he wanted to get something clear in his mind. How much did they pay for the last ambulance they purchased, the total gross cost? Chief Murray said about \$110,000. Selectman Massey said they should not lose sight of the fact that for every year he has been looking at this, revenues they take in exceed the cost of running the service, and the revenues they are charging, the fees they charge the people who are in need of this service are the lowest fee around, which is the Medicaid fees, so they're not even charging commercial rates; they are charging what the government has set for Medicaid reimbursement, and with Medicaid reimbursements, they take in more revenue than they expend, from what he has been looking at. That's the first piece, and a commendation to the Fire Department. Chairman Jasper said that does not include any personnel costs. Selectman Massey said he factored in the personnel costs when he started doing that—a reasonable approximation because they don't charge their time to the ambulance. They charge their time to suppression. At any rate, the whole point was to commend the Fire Department because they are running an excellent service and it's a value received for all of the people who do it. He didn't think it would be appropriate, this year, to put in another \$10,000 for a couple of reasons. The first reason is \$100,796 in the account right now, including the \$30,000 that they put in at the beginning of FY08. They'll be putting in another \$30,000 in July of next year, and the ambulance would be bought the following year, the summer of 2010. Mr. Malizia said yes. Selectman Massey said there would be \$131,000 plus interest, as of June 30, 2009. The bottom line is they could anticipate that there is going to be at least \$135,000 in this account, come June 30, 2009 and it would be totally within the Board's purview, because they did it with the apparatus, if it's going to cost more than \$135,000 next year, then they could have the warrant article to raise and appropriate the delta. It would be prudent to find out what they are really talking about for next year's budget and not put it in this year because they are fairly close to what they are going to pay for one.

Chairman Jasper said he thinks the Chief has his answer, then moved on to Fire Alarms, 5765. Selectman Massey asked to go back to 5750-350 and said the Chief indicates the medical supplies are about 2/3rds of that cost right now, which is \$20,000 and that's another thing he didn't understand. In the book, on one budget page it shows \$34,317 and asked if that \$34,000 an estimate and how he arrived at that number because, in truth, when you look at what he's been spending over the last four years, that's a significant uptake. It's about 10% over this year's budget, but it's significantly higher than the previous three years. What is driving that particular cost? Chief Murray said on steel, plastic, rubber—anything fuel related is going up. A lot of their medical supplies, such as oxygen masks, cost more. This year, they are also asking to replace one of the automatic defibrillators, probably on Engine Three.

Chairman Jasper said the next was Emergency Management, a totally level funded budget. Selectman Maddox vaguely recalled that that's carrying the Chief's phone and the Deputies', rather than in the Fire Department. Chief Murray said yes, and it also carries the Chairman of the Board of Selectmen's phone, as the head of the Emergency Management center and they also include a phone for the Town Administrator. Selectman Maddox noted that Chairman Jasper was not carrying that pager. They each have their own cell phones. He didn't carry it the year he was chairman, either. He thought they could eliminate one of those phones. Chairman Jasper said that was the chairman's prerogative, at the time. When Selectman Massey was chairman, he did carry that with him. If the money isn't spent, it just goes back to surplus. If there is a chairman who wants to carry that, they ought to have the opportunity to do so. As long as they are not paying the bill for a phone they don't have. Chief Murray said it's turned off. Chairman Jasper said Selectman Maddox could make a motion. He replied that he was saving up his motions.

Chairman Jasper said that takes care of the operating budget. Aside from the ambulance, he knew the Chief had a couple of other articles. Ms. Carpentier thought the Chief had some extra items he wanted to add to the operating budget. Chief Murray said they've identified additional projects and initiatives, outside of the budget parameters, that will assist them in delivering the excellent level of service they provide the citizens of Hudson in responding to their requests. The first item would be to purchase an Amacus electric power unit for the rescue tool fit-up on the new fire engine at approximately \$5,600. The Amacus power unit is used to provide hydraulic power to the Amacus combination tool for vehicle extrications. The unit is electric and would be wired into the Pierce fire engine. The power unit was not included as part of the specifications for the new engine. It allows two tools to be connected and operated at the same time. The backup spec info had been provided to the Board. Selectman Massey asked for a clarification and referred to 5730-325 and in the list of items he was going to include in the budget, the Chief had the \$5,600 for an Amacus hydraulic rescue tool and he asked if that was a different device than what he was proposing they add to the budget, or did it just get added into the budget? Chief Murray said that was actually another tool; an actual tool, versus a power unit, and that tool will go on Engine Four. Chairman Jasper asked for the Board's pleasure. There being no response, he said they'd move on.

Chief Murray said the second request was to replace Marine II, the rubber inflatable rescue boat motor and trailer at the cost of \$8,900. They refurbished the hard-hulled boat a couple of years ago. The current inflatable boat is 17 years old and has had extensive use in the Merrimack River, which led to the inflatable chamber becoming unglued from the transom. The floor is beginning to deteriorate and recently required over \$500 repairs. They are also requesting a trailer to haul the boat. Currently, they place the boat on the OHRV trailer, or manhandle it into the back of the utility pickup and it causes scrapes and damage to the boat. The trailer will allow them to bring it closer to a launch site than carrying the boat down

the trail, down banks and things, to get them into the water quicker. Chairman Jasper asked where they would store the trailer. He recalled the current inflatable boat is stored from the ceiling and lowered down and there isn't a lot of space over there. What's the plan? Chief Murray said probably look at relocating the OHRV at Central to one of the substations. Selectman Massey asked how often they were using the big boat. Chief Murray said not very often. Selectman Massey asked what he thought it was worth in trade-in value, or resale, if they were to put it up for auction. Selectman Maddox assumed they were talking about Marine I when talking about the big boat. Selectman Massey said he was talking about the boat that is usually parked in the back of Lenny Smith Central Station. Chief Murray said he'd have to check the books. Selectman Massey said, to him, the only reason he would support this is that (a) they would get rid of Marine I and use the trailer for this, unless it's a totally different type of trailer. He just don't see them, at this point, carrying two boats. The question then would be, is the engine off Marine I capable of being put on this proposed boat. He was told no, it would sink it. Selectman Massey asked if they were talking about replacing the existing nine horse engine with a more powerful engine, if this goes through. Chief Murray said it has to be matched to the type of boat they are purchasing. Selectman Massey said if he understands the backup, the request is for a new boat, engine and trailer. Chief Murray said that was correct. Chairman Jasper asked for the Board's pleasure. There being no response, he said they'd move on. Selectman Massey said he was going to try to craft one. He'd like to see an offset with the other boat, and he didn't know what that amount would be. Chairman Jasper said then he can't really make a motion, other than to put the \$8,900 in the budget.

Chief Murray said his next request was for the Board to consider the purchase of a Striker ambulance cot at \$5,010. Last year, they requested an ambulance cot and while the Board was supportive of it, thought they could get it out of the operating budget. Unfortunately, due to the engine issue with the ladder, they were unable to do that. Selectman Massey said, first of all, he's seen this particular type of cot in action, and he can tell them he agrees with the Chief's documentation, that there are an awful lot of backs that are being saved, as a result of this. He saw two firefighters on an L-shaped stairway, from the 2nd floor down to the 1st floor, walk a very heavy individual down, and it was just like they were practically walking down because it's on a tractor. Chief Murray said Selectman Massey was thinking of the stair chair. Selectman Massey said this one still has the ability that when you lift it up, the hydraulics are easy on the back. However, when he saw the price, he was a little surprised because when he looked at it two years ago, when they went to the fire show, they were about \$2,500 and asked why. Either his recollection was wrong, or the price has escalated. In fact, the guy was going to give them a good deal, if they bought it right there off the show floor. Chief Murray thought they've stayed the same, saying he thought the price was around \$7,000. Selectman Massey said his recollection was around \$2,400 at the Syracuse show, two years ago. Mr. Malizia thought he was thinking of the chair. Selectman Massey said no, it was the cot. Chairman Jasper said the quote is what it is.

Motion by Selectman Massey to increase Cost Center 5750, line item 403 Small Equipment by \$5,010 seconded by Selectman Maddox, who changed the amount to \$4,500, which was agreed to by Selectman Massey.

Chairman Jasper said before he accepts the motion, asked if they could consider adding a 403 account. He thinks the Budget Committee might have some heartburn over seeing such a high line. Selectman Massey acquiesced. Selectman Maddox said he was going to amend this to \$4,500. He thinks they got just one price. If they shopped around and dealt around... again, in their cost saving maneuver, he asked if Selectman Massey would agree to that in the motion. Selectman Massey agreed. Selectman Maddox said they are trying to save money. This is a case where one back injury to a firefighter carrying somebody down on a 12-year old piece of equipment, at some point, they would need to spend some money. He just thinks they can shop around. They just got one price. He didn't know if that was the best price, but, again, that's some incentive to find a better price at the \$4,500 but really, what they need to do is provide a piece of equipment that will save them money on one injured firefighter. Selectman Robinson asked how old the present cot was. Chief Murray said 12 years old. Chairman Jasper said he was against the amendment. He didn't disagree that they should go out; they have to shop around on the purchase of \$5,000 but in talking about the money saved on a bad back, he absolutely agreed, but to come up \$500 short is penny wise and pound foolish. They are picking numbers out of the air. The Chief has given them a number. Is that the high number? They don't know. Is that the low number? They don't know. To arbitrarily pick a different number for an important piece of equipment, they don't know what they are doing. Selectman Nadeau said to look at the option list. The base price was \$4,284 and they put on an IV pole, an oxygen bottle holder and a storage pouch at the end for \$110 so if they took that stuff off, you'd get the base unit for \$4,300. Chairman Jasper said when you are working with an ambulance and patients, it's a little more than a nicety to have those things. Chief Murray said he did leave off the spinning hubcaps. Selectman Massey said if he's on this Board at the time this comes up for purchase, he thinks for sure he'll be able to fine extra money in either the Selectmen's contingency account or the unexpended balance of the Chief's balance, so this is a good incentive to go out and shop. He was comfortable with the \$4,500.

Vote: Motion on the increase of \$4,500 carried 4-1. Selectman Jasper voted in opposition because he is a big spender.

Ms. Carpentier said there was another request, to increase the capital reserve fund for apparatus. Chief Murray said they've made substantial strides over the last few years with the vehicle apparatus replacement plan. For the past few years, they continue to fund it at \$50,000 a year. He passed out a document which was the updated apparatus replacement plan, based on the workshop they had, making the adjustments. As of June 30, 2007 there is \$239,536 in the apparatus capital reserve. On July 1, another \$50,000 was added. They will take the payment of \$270,000 out for the payment of the Pierce fire engine this month, so as of October, there will be a balance of \$19,000 in that account. In July 1, 2008 if there isn't an increase in the account, there will be a total of \$69,576. There is a tanker potentially scheduled for replacement in 2009 and a fire engine in 2012. Assuming the fire engine will cost approximately \$400,000 in 2012, approximately \$100,000 would be needed to be added over the next four years; an additional \$50,000 to what's there now.

If the Board chooses to fund apparatus as they have done with the past two engines by using the apparatus capital reserve fund and budget surplus, they would need approximately \$75,000 per year for the next four years in order to have \$300,000 in the apparatus capital reserve fund to use surplus funds to make up the difference when it comes time to replace that engine. The chart he just passed out is a working document, but they could at least get an idea of what he sees coming up. There won't be a lot of apparatus replacement in the latter years, which will the fund a chance to rebuild. By getting rid of the two old KME's, they've made terrific strides.

Selectman Maddox said they were just seeing this and thought it was a discussion for a workshop. The Chief has the next two engines, the one in 2012, as well as the 2014, Engines One and Three are commercial. They need to have a philosophical discussion as to whether that is going to be the trend they will continue with, or are they going to buy one engine of the same caliber as they just bought with the Pierce front line rescue pumper. He didn't know how that will skew all of this, but to assume they are going to replace Engine One and Engine Three with \$400,000 vehicles, he thinks, is a little premature.

Selectman Massey wanted to make sure he understands it. They can get squirrely with fiscal years and calendar years, but if he interprets it correctly, when they talk about 2008, FY2009, that's the budget they are doing now. He thinks Selectman Maddox is right. First of all, this is the first time they've seen this level of detail, so in order to really look at what they need to do relative to making sure that the tax rate is fairly level, as opposed to spikes, before he'd want to add more money to that capital reserve fund, he'd like to really understand some forward projections on money. He knows they would be projections, but still, in the absence of any concrete data today, and especially given what Selectman Maddox said, he wouldn't, at this point, entertain a motion to add an additional amount of money to that capital reserve fund.

Chairman Jasper reminded the Board that if there isn't a motion, it's not necessary for them to have long discussions about something they are not considering. He knows they are giving the Chief guidance, but it is already 8:45. If there is no motion, they don't need to spend a lot of time discussing things. With that said, they will move on to the warrant articles. With the truck, they did have a discussion on this at their workshop so, unless a Board member wants a recap or an explanation, he'd prefer to start out with a motion to send it to the warrant, if that's the Board's pleasure.

Motion by Selectman Robinson to send the Fire Alarm Utility Truck at a cost of \$110,000 forward to a warrant article, seconded by Selectman Massey.

Selectman Robinson said during the workshop, the Chief and Deputies did an outstanding job explaining their need for this truck. The present truck is a 77 year old truck and time to put it in the museum. Chairman Jasper corrected him, saying it was a 37 year old truck. The cab and chassis are 37 years old. It was ladder one at one point, that had the old Arens box on the back of it, which was a 1920-something box. Chief Murray said they were having difficulty, too, trying to figure all of that out. Chairman Jasper said he wanted everyone to understand that the actual aerial device on that truck is not 37 years old; probably about 20 years old. Selectman Massey said the Chief had indicated there was backup attached, but he couldn't find it. Ms. Carpentier said it was in the warrant article book, under F. The Fire Chief has three--F, G & H. Selectman Maddox said he would not support the motion inasmuch as this is a vehicle that is rarely used, it does not have a lot of miles on it and the Fire Department is going to send it over to Highway for their use. He didn't see the need to spend \$110,000 on a truck that they could either lease or rent for the few times they need it, or borrow it back from Highway. He can't see spending \$110,000 on a vehicle that has very low miles and yes, it would be nice to have a new one, but this isn't the year to buy a new anything. Selectman Massey asked the Chief to address that if, in fact, they are going to give this to the Highway Department. Chief Murray said absolutely. They don't have to give it to Highway; they can trade it in. Highway uses it now for tree trimming, and he's getting concerned because they are dropping tree branches and everything on a bucket truck that is really not designed for that. This is a safety vehicle that works within feet of high tension wires and it's 37 years old. The intent is to get a new lift and hydraulic system that has the newer safety systems on it so that the people can do what they need to do, working up by the fire alarm lines. The reason he suggested sending it over to the Highway Department was because if they are able to acquire the new truck, he wouldn't allow Highway to use the new truck. It's going to a different service level when it is sent to the Highway Department because they will be cutting trees with it and they do street light repairs. They've even used it to hang Christmas tree lights. While they've allowed that to occur, with the new vehicle, they won't all it to be used for those types of activities. About three weeks ago, the hydraulic system on the bucket failed; they were out working fire alarms along Burnham Road. The truck stalled and when they started the truck up, it burst the hydraulic line. One of the firefighters got sprayed with hydraulic fluid, but because he was wearing his safety goggles and equipment, he was protected—but it did spray a passing car with the hydraulic fluid and, luckily, the person had it cleaned. That was just one example. Even if the box was designed and built in the 80's, it is old equipment and does get used to maintain the municipal fire alarms. Selectman Robinson said when the department manager for IT comes in, she will be talking about the possibility of uniting with the Fire Department to use the fire lines to wrap the necessary lines around the town, so the use of that truck will be greatly increased. The Fire Department also uses that truck on an annual basis to replace one mile of copper line per year to maintain their system, so there is a lot coming down the pike for the use of that truck, both for IT and for the Fire Department. That was why he recommended voting in favor of the motion. Selectman Massey asked for the rational again of why he would not let the Highway Department use this vehicle. He would be a little reluctant to approve the purchase of this and transfer the other vehicle to the Highway Department because, sure as grass turns green when you water it, within a year or two, because the vehicle is there and is being used, they would see a request for another bucket loader for the Highway Department. Why can't the Highway Department use the new one? Chief Murray said he wanted to keep it at its primary use, working on fire alarms, telephone and electrical cable, keeping the integrity of the truck. All it would take is one tree branch to damage the bucket. If that

happens, they would have to send it out. So far, they've been lucky. His suggestion to send it to the Highway Department was because they've used it in the past. Selectman Massey asked why the Chief would not be able to rent this vehicle when needed, as opposed to purchasing one outright. Chief Murray wasn't sure they are readily available to rent, or how long it would take to get one. If there is a winter storm and fire alarm circuits are down in the middle of the night, he's not sure he could get one, or how long it would take. Selectman Massey asked him to refresh his memory, as he understood cities and towns are changing over to digital alarm systems and, if they did that, they would not need this type of vehicle. Chief Murray thought he was talking about radio box alarms that Selectman Maddox had referred to. Selectman Massey said that was correct. Chief Murray said that during the workshop he had said they have one of the best maintained fire municipal systems around. It's a very strong system that has weathered a lot of bad weather, including winters and floods, and he didn't think there was a cost benefit to switching over the entire system to radio box alarms. Selectman Massey said he'd be willing to support this warrant article, but he would want it either in the language of the warrant article, or a clear understanding on the part of the Board, that the existing truck would not be kept inside the town, that it would either be traded or auctioned off. He didn't want to wind up having to justify one or two years down the road, buying another truck when for the last umpteen years they've been using one truck. He would not want to see them, by default, add another vehicle to the system. Chairman Jasper said that's a discussion the Board should have with the Road Agent present. He agreed with the Chief, that if they buy this vehicle, having it out taking down dead trees may not be in its best interest, but that's a decision the Board needs to make. In a warrant article, that would not be proper language, and there is no other way to do it, but he didn't want them to make a hasty, uninformed decision. The question the Board should decide is if they should replace the vehicle. They can decide how to dispose of the one they are replacing separately. He asked them to keep that as two separate discussions. They've got a ways to do when and if they even need to have that discussion, depending on the outcome of this vote and the vote in March. Selectman Maddox said they were missing a key point of the discussion. How much is it used between Highway and the Fire Department? If it's used 30 days for each one of them, is it worth spending \$110,000? Could they rent one? He's just not convinced that they need to spend \$110,000 taxpayer dollars for a piece of equipment that now is going to be used only by the Fire Department, so that reduces its workload down by X percent and they don't know what those are. Is it used 30 days by the Fire Department or 10? Is it used for 40 days by the Highway Department or three? They don't know that. Again, this is premature without that information they need to make an informed presentation to the citizens when this comes up, if it does. Selectman Robinson said if there was a storm in the middle of the night and the lines go down, how are they going to fix them if they don't have a vehicle with a bucket to get up there to fix the lines so Mr. Homeowner out there is protected, unless they have that truck to get up the pole to fix it? Selectman Maddox said with the charm and perseverance of the officers in the Fire Department, they can cajole the phone company or the electric company, who is there, working on that very bad pole that just got hit in the snowstorm. Several responses indicated "no way." Selectman Maddox said OK, then; they need a new truck.

Chairman Jasper said he raised some interesting questions. He disagreed on the issue of rental because they'd probably be talking about hundreds of dollars a day. They've had this bucket for about 20 years. By renting it over the life of this truck, it would easily double the purchase cost. People who rent things like this out do it to make money, and they would be making money on the town. But he would question, even if you could find one at 3:00 in the morning in the middle of a snowstorm, to go get one to bring it back, they don't know where it is, maybe Manchester, you potentially have a large percentage of the master boxes in town out of service, and all it is going to take is one building burning down when that alarm system is going off, but there's nobody to read it because they're running someplace to get a rental truck. As somebody who has a couple of master boxes, he didn't really feel comfortable about that. Somebody hit a pole in front of one of their buildings a couple of years ago. He wasn't around when it happened. The accident wasn't reported. They pulled the fire alarm cable apart, so they had to start pole to pole to pole, trying to figure out where the problem was. They were out for hours, looking for the problem, and that's probably something that happens on a pretty regular basis. By the time he found out about the problem and saw the fire alarm, they were only two poles away, working all the way out from town. If they question whether or not the truck needs to be replaced is a legitimate discussion, but he was sure they would just cost themselves so much more money by trying to rent one of these. He thinks everyone is ready to vote on this.

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

Selectman Massey said he wanted to be on record that he didn't want to add another vehicle to the town's inventory. Chairman Jasper said Selectman Massey has already made that abundantly clear. Selectman Massey said he wants it on the record. Chairman Jasper didn't know what record that was going to make it on except cable twice now. Selectman Massey said it will be in the minutes of the meeting. Chairman Jasper said it was already abundantly clear for the minutes, but it will be in the minutes again.

Ms. Carpentier said Article G was for Fire Equipment Capital Reserve Fund. Chief Murray said this article was the result of the workshop, also, where they had a discussion about creating a capital reserve to fund some of the more expensive fire equipment, such as protective clothing. In addition, he asked the Board, if they move it forward, to include protective clothing, cleaning equipment, vehicle extrication equipment and thermal imaging equipment. Typically, those were the more expensive items. They are not replaced every year, but he'd like a replacement cycle around eight or ten years. He came up with the \$25,000 by estimating the cost of 80 sets of gear at a 10-year replacement cycle, \$13,000 for thermal imaging camera and \$14,000 for a washer-dryer extractor to clean the protective clothing. RSA 35:1 authorizes the use of a capital reserve fund for the construction/reconstruction or acquisition of a specific capital improvement for the acquisition of a specific item or specific items of equipment. In his proposed warrant article, he has also added the Selectmen as the agent to expend, due to the purpose of the reserve fund. If some equipment becomes damaged beyond repair during the fiscal year, they would need the Board to authorize the expenditure of the funds.

Selectman Robinson said during the discussions at the workshop, but his memory may have lapsed on this one; he remembers supporting a warrant article for the protective clothing. Did they also talk about support for the equipment, extrication equipment and thermal imaging equipment, as well, or was that an afterthought? Chief Murray said they talked about protective clothing and the others were an afterthought, after looking at the whole purpose of it. Selectman Robinson said he remembers talking only about clothing. Chairman Jasper said this was the Board's warrant article, so the language could be amended in any manner the Board saw fit. Selectman Massey said during the workshop, this was a reasonable request. What he didn't see in the backup was enough information for him to support \$25,000 a year. If the Chief would agree, he'd like to see what he's actually projecting, per year, what the costs are so they could see if \$25,000 a year is the right number. He didn't get the sense they were going to replace 20 sets every year. Chief Murray said the purpose for the \$25,000 was to open the account. In the backup, he included what the gear would cost over a 10-year replacement cycle—approximately \$153,000 for that; \$14,000 for a washer extractor; \$13,000 for a thermal imager. He added all of that up, divided by 10 and it's a little under \$25,000. Selectman Massey said he didn't see that in the backup. Selectman Maddox said it'd be under G. Selectman Massey asked if they were talking about... it says if they are going to replace five sets per year, it's \$8,900 in the first year and \$9,000 the... the question is how many sets would \$25,000 be purchasing every year? What he didn't see in the documentation was what their actual replacement schedule was, which would drive the total cost. Chief Murray said they are looking at this two different ways, adding up the total cost of protective clothing, a thermal imager and a washer-dryer. Ms. Carpentier directed Selectman Massey to a different page in the book. Chief Murray said when you all up all of those three items and divide it by 10 years, in order to fund that amount of money, you could potentially put \$25,000 a year in that fund, but there's still a lot of other elements out there that play into this. For example, if they get the protective clothing through the Assistance to Firefighters grant, the \$25,000 could be reduced for a number of years and they wouldn't have to try to replace it. In the handout, the replacement proposal was just to give the Board an example of what they were looking at relative to the cost of gear over the next few years because of price increases. Selectman Massey said he understood that part, but wanted to go back to the numbers so he can be clear. Was the \$13,000 for the thermal imaging camera a once every 10 years purchase? Chief Massey said approximately, yes. Selectman Massey asked if it was the same thing for the washer-dryer extractor. Chief Massey said yes. Selectman Massey said the 80 sets... if the \$154,000 was an average of the four, five years? How did he arrive at that price? Where he's coming from is that he added up those numbers and he only came up with \$181,000 which over a 10-year period says they could fund at \$18,000. Chief Murray said that was correct. He just rounded it off to \$25,000. Selectman Massey said the second half of that was, if they put this warrant article in, it goes in effective July 1, 2008, which would suggest that the first time they buy out of this would be July 1, 2009 and asked if that was the intent. If \$25,000 is put into the capital reserve fund in July 2008, will it be withdrawn immediately? Mr. Malizia said they would be building it up so 10 years from now, they can take it out and buy these things. Selectman Massey asked if they weren't going to buy anything over the next 10 years from the capital reserve fund. Mr. Malizia said the schedule says every 10 years. Selectman Massey said then what they were talking about was they were going to start building up and they don't take any money out of this fund for 10 years, and they would continue over the next 10 years, funding at the current replacements, like they have right now, 10 turncoats in there with the existing budget. Chief Murray said that was correct. Selectman Massey said then this would be an additive, so that 10 years out, they can start drawing out of that account and every year, they just add \$25,000 to the budget. Chief Murray said the intent is to start building that account unless something comes up where they need to replace protective clothing, but that is the original intent, to start building that up to have a long term replacement program. Selectman Maddox asked why 80 sets of gear. Chief Murray said they have 60 personnel, plus they keep additional sets in case some of it gets damaged during a fire and it has to be replaced, or new personnel that doesn't fit into the gear they have on hand. Selectman Maddox said he was a big fan of capital reserve funds, so the only problem he would have with this is the Chief is carrying \$19,000 to replace gear, so he would assume they are replacing 10 sets every year, based on the budget. Chief Murray said they may have to do it that way due to the lack of a capital reserve fund. The real intent with this whole warrant article is to get it established, whether it is 60 sets or 80 sets. The Board of Selectmen, through the budget process would determine what they think is a reasonable amount. Selectman Maddox said the capital reserve fund would make sense, in his mind, if they get the Assistance to Firefighters grant, where they get all—pick a number—60 sets on July 1, 2008, but he didn't see how it's going to work any other way because he's looking at replacing 10 sets last year, he's putting into the budget this year for replacing 10 sets; that means somebody is going to have to go much longer in the cycle because they just got a new set this year, so they're fine, but if he's not going to buy any for 10 years, so the only way he sees the capital reserve working is if they got those monies to buy all of the turnout gear at one time, then they reduce the \$18,000 from the budget, as replacing 10 sets, and he offsets it here and he has it. This is one where the Chief has been carrying 10 sets a year, looks like for the last number of years, he just didn't see what that was going to get them, putting \$25,000 into a capital reserve fund, plus the \$18,000 he's carrying in the budget. If they are going to subtract the 18 and buy them all in one cycle, he thinks this is really contingent upon getting the Assistance to Firefighters grant that says you are going to replace all of your turnout gear in one whack, then he'd have this fund to replace it all at one time, 10 years from that. But the way he sees the budget, they'd replace two year old equipment; he just didn't see that.

Chairman Jasper said he'd have to agree with Selectman Maddox on this. Perhaps, if he had a situation where he'd say in five years, we're going to have X amount of gear that is so old, we've got to replace 30 sets in five years, this would make sense, but if it's a continual 10, 10, 10 it doesn't make sense. The other part of this he doesn't like is he thinks it would have a hard time making it through the Budget Committee, in terms of everything else. When he looks at this, everything is in there but the kitchen sink. Some of them are just normal, small equipment that gets replaced in the budget and they don't need to build a capital reserve fund for. He and Selectman Maddox are on the same page, unless there is a plan, and from what he's heard, there's no intent to spend any money for 10 years, and everything is going to be replaced—that's 100 sets in 10 years, even allowing for those that get destroyed. Out of 80, that's better than a 20% destruction. Selectman Maddox interjected "60." Chairman Jasper said this isn't ready for prime time at this point. Chief Murray he was absolutely

right. They're trying to come at this from a couple different angles. If the Assistance to Firefighters grant passes, they are going to buy everyone a complete set of gear, and that would buy them 10 years. Selectman Maddox said they'd subtract it from the budget. Chief Murray said which they would do, if it occurred before the end of the budget, but the reason the 10 sets was put in the budget is because if they don't get the grant, the gear they have now is at the 10 year mark, and he needed to, at least, replace 10. He didn't like replacing 10. The better way to do it is to do everyone all at once because, otherwise, they'd get into that exact cycle. Someone at the end of the pipeline may end up with gear that's 16 years old before the time they get there. The \$25,000 is for the initial setup of the account. What goes into that account on a yearly basis would be determined by the budget process, by economic factors and things like that. If necessary, he would go to the capital reserve fund in a couple of years in order to accelerate the purchase of that gear, if they had to.

Chairman Jasper said at this point, without a better delineated plan, he can't support it the way it is. If the Chief comes back with a plan, such as in five years, they will have built up enough money to replace everything that, at that time, is over 10 years old, then that makes sense because the problem is they could have gear that is 15, 16 years old on 10 sets a year. But this, the way it is, doesn't make sense. Selectman Massey said when he first saw this, he felt it was somewhat akin to what they did with the police equipment, but they were able to set that up the way they did because they were able to buy, this year, a complete set of weapons for everybody. So on the basis of what Selectman Maddox has said, he didn't think this makes sense to do this and, therefore, he is withdrawing his second. When Chairman Jasper asked if there was a new second to the motion, there was no response, so he said the motion died for a lack of second.

Chairman Jasper said the next request was to establish a capital reserve fund for repair and refurbishment and asked what the Board's pleasure was. Selectman Maddox said a 10-minute break. Chairman Jasper said he was hoping they could take a break a long time ago. In looking at the hour, he preferred not to do the Recreation budget tonight. He has had a long day, and before they get through the other things, it will be 10:00 before they start Rec. Saturday is looking fairly light, but he didn't know what Dave Yates' schedule was. Mr. Yates said Friday was fine with him. Chairman Jasper said he would go first out Friday. Chairman Jasper said if the Board thinks this request is going to take a long time, they will take a break. Selectman Robinson asked if there was a motion.

Motion by Selectman Maddox, seconded by Selectman Massey, to take a 10-minute break, carried unanimously.
Chairman Jasper called the meeting back to order at 9:30 p.m.

Chief Murray said on the vehicle replacement program, there were typos, which he will correct and forward corrected copies to the Board tomorrow. The last warrant article they were asking for consideration is a fire apparatus refurbishment and repair capital reserve fund. They talked about it very briefly in the workshop. He thought it would bring it forward for the Board's consideration, mainly because of the experience they had with the ladder engine last year, where they replaced it at a cost of \$41,000. The purpose of this would be for the long term refurbishment or emergency repair of apparatus. Based on discussions with the Board, some of the apparatus could be refurbished to have their service life extended, like they've discussed with the rescue truck and the ladder. Chairman Jasper asked for the Board's pleasure.

Motion by Selectman Massey to forward Warrant Article H Fire Apparatus Refurbishment and Repair Capital Reserve Fund to the warrant in the amount of \$20,000, seconded by Selectman Nadeau.

Selectman Maddox said this needs to be expanded on. They really need to explain to people a little better what they are trying to do because they already have a capital reserve fund for fire engines. He believes he knows what they are trying to do, but maybe this warrant article needs to be massaged to more clearly define that this is refurbishment and repair. What's the difference? How do you do that? As a citizen, he'd be, what are you doing here? Chairman Jasper said if it doesn't say it in fire apparatus refurbishment and repair capital reserve fund, there isn't anything else you can say. They will have plenty of opportunity to explain it. He didn't know what other wording you could put in there to make it any clearer. Selectman Massey said they record should show that this is not for the purchase of new vehicles. This is for taking existing equipment and either extending its life or fixing a problem. Selectman Maddox said that's where he was going. Chairman Jasper said that's what it says—refurbishing and repair. Obviously, you can't buy new equipment by refurbishing and repairing it. It's getting later than he thought it was.

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

Selectman Massey said they asked the department head to come in with zero increase and to indicate the differences within that and he congratulated and applauded the efforts of the Chief, the two Deputies and the rest of the staff for coming in with an excellent response to the Board's request.

Engineering (5585)

Town Administrator Steve Malizia said he'd attempt to answer any questions, saying that Mr. Sommers conveyed the budget information to the Administrative Aide. He believes the budget was level funded, per direction of the Board. The only delta may be in salaries and benefits. This department has two summer interns, and this would be the third year, if the Board chooses to retain them as summer employees. Chairman Jasper asked if there were any questions or comments. Mr. Malizia said the Town Engineer talked to him about putting a warrant article forward relative to the Pelham Road project, identified as "K" in the book. CLD is working with the town to assess and provide recommendations for the replacement or repair of what has now been classified as a dam. Backup information was provided in the budget book, with an estimated cost of \$350,000 to do this project--\$250,000 for construction and \$100,000 for engineering, design,

permitting, etc. This topic had come up in the past from the Town Engineer to the Board on more than one occasion. If this is something the Board isn't comfortable doing tonight, they could do it at another meeting if they want to hear more technical detail from the engineer.

Motion by Selectman Massey to forward to the warrant, article K, design, reconstruction and repair of Pelham Road dam over Second Brook in the amount of \$350,000, seconded by Selectman Robinson.

Selectman Massey recalled in the storm of May 2005, Mother's Day, this area, which the Board thought was a culvert, just about was... probably a few more inches of rain, and they would have lost that entire area. Subsequent to that, the state came down and inspected it, looked at what's behind it, and they declared it to be a dam. Therefore, different kinds of construction has to be done than would be done if they were just replacing a culvert. What before this is what the Town Engineer, Mr. Sommers, has estimated to be the cost of bringing that up to "dam" status. Selectman Maddox said he loves how the state comes down and makes determinations that costs more money, but that's OK. Did they give them an option to say if the town made the culvert bigger, then it's no longer a dam, thus, they can build a culvert over this roadway, rather than going through all of the hoops and holes of a dam. Chairman Jasper said while he thought of that himself, he would not want to do that, given what he saw downstream from there. That was acting as a dam and he'd hate to think of what the consequences of not having that dam there would have done to the people who were downstream in the area of T-Bones and that whole area. He has no doubt they would have lost Lowell Road. Certainly, it would have been closed off and without that there, the town would have been cut in two because every other road was closed. That was the only passable road, and there was so much water down there. He saw what was going on and the Highway Department did a great job saving that, but what really concerned him was, because of the way it has been constructed over the years, it appeared that the road must have gone down and there was a deck at a very low level, and they just built on top of that and the water was coming out between the two sections. He is surprised that didn't wash out and cause a collapse. They could explore that, but they'd be doing so much damage to people downstream that it wouldn't be funny if they had another storm like that. Selectman Massey said equally important, the fact that from their technical and expert opinion have determined that that is a dam. If the town was to try and do anything differently, and they were to have a similar occurrence at some point in the future, the town would have some explaining to do. When you look at that dam and the way the construction was, he is surprised that it survived that flood. The work that the Highway Department did to stabilize and try and keep it from going any further was absolutely great. Also, upstream on Pelham Road, Bush Hill, where it came down around, they did some additional work. The town was very fortunate to have escaped anything serious downstream. He watched the water coming out from underneath T-Bones, and it was coming out so hard, it was actually shooting up on to the adjacent lots' back yards. It wasn't coming up in drabs; it was coming up in a very heavy stream. This is a prudent thing to do for the town. If Lowell Road was even cut in half, he didn't want to think about having to go down Birch and those other streets for the bypass. Chairman Jasper said those were cut off, as it was.

Vote: Motion carried 5-0.

Selectman Massey said tonight, the Water Utility Committee voted not to submit a warrant article to change the agent to expend on the capital improvement reserve fund, so they are going to leave that is. Either tonight or Friday, they can vote to take care of the sewer warrant article for the Nashua Waste Water Treatment.

Hydrant Rental (5960)

Motion to reduce Hydrant Rental, Account 5960-255, from \$685,532 to \$285,532, a reduction of \$400,000 by Selectman Nadeau, seconded by Selectman Robinson.

Selectman Massey said they were showing on the income side of the Water Utility \$599,000 so if they took \$400,000... Mr. Malizia said they reduced the water side revenue by \$400,000. Selectman Massey said what he didn't understand was if the revenue for the hydrants was 599 and they got an expenditure of 685 where is the 86,000 in expense money coming from? Mr. Malizia said in the backup, there are two components. One is the actual physical hydrant. The other is the water available into the hydrant system. When the town bought the water company, that's how the tariff was set up. There was a charge for the availability of water and there was a separate charge for hydrant rental, so those two pieces make up the hydrant rental budget. For simplicity, it was in the book as one line. They are reducing the water availability fee by \$400,000 to compensate for the \$400,000 pilot that was just cut out of the water utility. Chairman Jasper said Selectman Massey was saying the revenue wasn't showing up for \$685,532. (Talking over each other.) Mr. Malizia said all they were doing was evening it up; nothing else. Chairman Jasper said if they add the 78 and the 599, it is 677 and they have 685. Mr. Malizia said they'd make the correction to the hydrant fee. The actual access fee is off by \$24; it was just rounded. They are going to take 400k out of hydrants, which is going to take 400k off the revenue page. Chairman Jasper said there is an \$8,000 discrepancy, which is going to be taken care of. Bottom line, the total revenue for the water utility will go down \$400,000; the expense line on the tax side will go down \$400,000. Everybody's even. Nobody's rate suffers. It's the way it was when they bought the thing.

Vote: Motion carried 5-0.

5. Nonpublic Session

Motion by Selectman Massey, seconded by Selectman Nadeau, to enter Nonpublic Session under RSA 91-A:3 II (c) Matters which, if discussed in public, likely would affect adversely the reputation of any person, other than a member of the body or agency itself, unless such person requests an open meeting carried 5-0 by roll call vote.

Nonpublic Session was entered into at 9:55 p.m. and was terminated at 10:10 p.m.

6. Adjournment

Motion by Selectman Robinson, seconded by Selectman Massey, to adjourn at 10:12 p.m. carried 5-0.

Recorded by HCTV and transcribed by Priscilla Boisvert, Executive Assistant

HUDSON BOARD OF SELECTMEN

Shawn N. Jasper, Chairman

Benjamin J. Nadeau, Vice-Chairman

Kenneth J. Massey, Selectman

Richard J. Maddox, Selectman

Douglas K. Robinson, Selectman

Monday, October 15, 2007

Highway	(5515, 5551 to 5556)
Solid Waste	(5970)
Sewer Utility Ops & Maint.	(5562)
Sewer Utility	(5561, 5564)
Assessing	(5410)
Town Clerk/Tax Collector	(5030)
Community Development	(5571, 5572, 5581, 5582, 5583)

Wednesday, October 17, 2007

Fire Department	(5710 to 5770)
Engineering	(5585)
Water Utility	(5591 to 5596)
Hydrant Rental	(5960)

Friday, October 19, 2007

Recreation	(5810 to 5840)
Community Grants	(5920)
Trustees of Trust Funds	(5020)
Cemetery Trustees	(5025)
Moderator	(5041)
Supervisors of the Checklist	(5042)
Cable Committee	(5045)
Town Treasurer	(5050)
Budget Committee	(5070)
Ethics Committee	(5080)
Conservation Committee	(5586)
Library	(5060)
BOS/Community Center	(5110, 5120, 5125)
Town Poor	(5151)
Legal	(5200)

Saturday, October 20, 2007

Police Department	(5610 to 5673)
Information Technology	(5330)
Finance	(5310, 5320)
Insurance	(5910)
Patriotic Purposes	(5930)
Other Expenses	(5940)