

HUDSON, NH BOARD OF SELECTMEN
Minutes of the November 6, 2006 Workshop

1. **CALL TO ORDER** by Chairman Maddox at 7:00 p.m. in the Selectmen's Meeting Room at Town Hall.
2. **PLEDGE OF ALLEGIANCE** led by Executive Assistant Priscilla Boisvert.

3. **ATTENDANCE**

Selectmen: Richard J. Maddox, Shawn N. Jasper, Kenneth J. Massey, Kathleen R. MacLean and Benjamin J. Nadeau

Staff/Others: Steve Malizia, Town Administrator; Priscilla Boisvert, Executive Assistant; Kathy Carpentier, Finance Director; Kevin Burns, Road Agent; Jim Michaud, Assessor; Toni Weller, Library Director; Chief of Police Richard Gendron; Police Captains Don Breault and Jason Lavoie; Lisa Nute, Police Information Manager; Fire Chief Shawn Murray; Torrey Demanche, Executive Secretary

4. **MINUTES**

Minutes of the Selectmen's Meeting of October 17, 2006

Minutes of the Selectmen's Meeting of October 18, 2006

Minutes of the Selectmen's Meeting of October 23, 2006

Minutes of the Selectmen's Meeting of October 24, 2006

Motion by Selectman Jasper, seconded by Selectman MacLean, to approve the minutes of October 17, 18, 23 and 24, as presented and refer to file, carried 5-0.

5. **DISCUSSION ITEMS**

A. **Solid Waste Contract**

Road Agent Kevin Burns said Corcoran Environmental is the actual bidder and will sub out the collection to Pinard Waste Systems. Their references proved to check out very favorably, including Manchester and Dover. The solid waste coordinator in Dover said it was the smartest move they ever made, customer service-wise. He is reversing his opinion relative to recycling, now that he has the numbers, and is in favor of it. He is also recommending going to a tote system, with the choice of either a 96-gallon or a 64-gallon size. There will be two brand new trucks dedicated to the Town of Hudson. They will also continue with curbside recycling. This year he bid the collection and disposal as separate items, so they will pay a lump sum for pickup. That number will not change. What will change, and what the Town will have control over, is the disposal fee, which will be \$73 a ton—and it's in the Town's best interest to continue the recycling. For every ton they take out of the tote and put in the recycle bin, they are saving \$73. The recycling numbers are at about 11% now and if they could get them to 25%, the recycling would be free; it would pay for itself by reduced tipping fees. If they could get to 40% or 50%, the savings would be almost \$1/2 million a year. Corcoran is a recycling company, and they are aggressive about it. They want to come in to the Town to try to educate the public, do flyers, put articles in the paper, etc. The Town needs to start recycling, not only for environmental reasons, but for economic reasons. If they continue to recycle 11%, it's still the \$220,000. If they recycle 50%, it's still \$220,000, but they are saving on the disposal fee, which is the most expensive number, estimated right now at \$854,000. His recommendation was to go with the smaller bin, which would encourage people to recycle—the more, the better. If the small tote isn't large enough for some families, they can order a second tote for a one-time fee of \$75. The max they can get is two bins. They need to get people on board to start recycling, which will save the Town a lot of money in the long run. What he is proposing is a 3% increase over last year, which is within the parameters set by the Board. It has been pretty close to level-funded now, and this will carry them for 11 years. The previous contracts seemed to have an automatic \$300,000 increase. His proposal would cost less than half a percent a year. He opened the floor to questions. Discussion ensued. The consensus of the Board was to go with Option 4, using the totes, with curbside recycling, landfill days and leaf pickups, at a cost of \$1,690,000 which is 3% of what the Town is paying this fiscal year. Every year the number is going to change because they will adjust the numbers up for the CPI, but the Town can adjust their numbers down, as the recycling numbers go up. Bulk items can be picked up at \$30 per item.

(Start Tape 1-B)

B. **Revised Exemptions for Elderly, Totally and Permanently Disabled and Blind**

Assessor Jim Michaud apologized for not getting this memo in a month ago, which was recommending pro-active increases in the aforementioned exemptions. The last time these were adjusted was in 2005, after they had done the property value update in 2004. The last time they were adjusted before that was in 2003, after the 2002 revaluation. If they are going to be adjusting values next year, which they anticipate doing, they should be adjusting the exemptions before those values hit. That is the only way to mitigate any effect of the increase in assessments. He went through area communities and came up with what they used for exemptions, income, assets and their last update. His recommendation reflects a 10% increase across the board. He estimates this is about two cents on the rate, or \$5-\$6 for the average home. Selectman Jasper questioned the figures and the way they were arrived at because the delta between some of them didn't seem right. Mr. Michaud said the approach he used brought him to the figures that were before them. It was the Board's prerogative to make any adjustments, or not to do anything. Discussion continued. Selectman Jasper made the following adjustments: \$44,000 to \$45,000; \$153,000 to \$150,000; \$127,000 to \$125,000; and \$160,000 to \$150,000 and leaving \$35,000 and \$105,000 as is.

Motion by Selectman Jasper, seconded by Selectman Massey, to forward the revised Property Tax Exemption for the Elderly to the ballot, using the aforementioned numbers, carried 5-0.

Motion by Selectman Jasper, seconded by Selectman Nadeau, to forward the revised Property Tax Exemption for the Disabled to the ballot, using the aforementioned numbers, carried 5-0

Motion by Selectman Jasper, seconded by Selectman Massey, to forward the revised Property Tax Exemption for the Blind to the ballot, carried 5-0.

C. Phone Upgrade in the Police Department

Recognize Police Chief Richard Gendron and Information Manager Lisa Nute were recognized. Chief Gendron said they experienced more problems with their phones a couple weeks ago once again. The phones went dead and they lost all the voice mail internally. When they called someone to come in to repair it, they were told the phone system was in failure. Last week, when he was out on medical leave, Lisa met with Statewide Communications and came up with some numbers. This vendor also services the Town. In order to take advantage of the pricing, they will have to do something soon. They could pay for half of the system now and the other half in July, which would include a rebate, as well. Half the cost of the system is \$13,572 which they cannot find in their current budget. Lisa is willing to forego a licensing project to save \$5,400 and maybe a couple thousand in gasoline. Selectman Jasper asked if there was anything available in the Prosecutor's line item. Chief Gendron said they already earmarked that for a deal they got for weapons replacement. What would normally cost around \$60,000 they could get for \$13,000 if they sign on by the end of November. He thought about putting off buying a cruiser until later in the year, but that would only be if he found a cruiser that a town had ordered, but didn't take delivery on, and that was a gamble he wasn't in favor of taking. Selectman Jasper said the Prosecutor was budgeted at \$66,000 and the health benefits were substantial, and that position has been vacant this whole fiscal year, at this point. Chief Gendron said it has been vacant since September, but there might be some money in benefits; he had only looked at the salary. The Finance Director said there wasn't \$8,000 in benefits to make up the difference.

Selectman Massey asked how much has been spent from Contingency. Mr. Malizia said a furnace had to be replaced, at \$6,500. Selectman Jasper didn't want to promise something from a future budget because they could end up in a default situation. This needs to be done now, so he recommended taking it out of the police budget, and when they get down to the point where the Chief is running out of money, they would look at contingency and other funds that might be available. He thinks they will be able to find the money at the end of the operating budget. Selectman MacLean said this was the first time in her term as Selectman that people can't find money in their budget when an emergency comes up. They just have to find some way to do it. She asked if money could be transferred from a different cost center—though the generosity of another department. Chairman Maddox said the Board does that at the end, saying that he agrees with Selectman Jasper's philosophy. They should bit the bullet and get it replaced now, with Police Department funds. He didn't want to take it out of contingency at this time. Selectman Massey asked if the new phone system would be compatible with the Town's. Lisa said it was.

Chairman Maddox said the consensus of the Board was for the Police Chief to take the entire amount--\$27,145.50--from his budget and come in at the end of the year, if they have run out of money, and the Board will deal with it then.

D. FY2008 Budget

Chairman Maddox asked Selectmen Massey and Jasper to share their, as yet, unidentified target numbers that they both had. Selectman Massey said his target was no more than 6% for the operating budget and warrant articles. Right now, for everything they've done, they are sitting at \$27,410,136 which is a 5% increase over last year's budget. To get up to 6%, they could add another \$120,000. Right now, he is in the comfort zone. Selectman Jasper said he's been looking at 4%, being mindful that they are not including any library bond in this. If that is approved, that has an impact, although not as great a one in the first year. Selectman Massey said his 5% includes the library. Selectman Jasper said what really matters is the increase on the tax rate, and they are sitting at 4.9% right now—and it looks like they just found \$30,800 which was in the phone budget, which they won't need any more.

Lisa asked if she could speak to that, saying one thing about doing the phone now is that there is a leased line that goes with that, a PR line, so they are actually starting six to seven months earlier with a leased line. That budget includes the \$600 per month for that line for that entire fiscal year; times 12 is \$7,200. She hadn't budgeted in FY08 that money in the 208 telephone account, so that's in the 5660 account, instead of telephone, for that leased line. Selectman Jasper asked if she didn't know this was coming at all, that it was a surprise. Lisa said no, she did, but if they are starting the phone early, that leased line kicks in early, too. What the Board just agreed to let the Police Department spend on is not only just the hardware but it's six months of a leased line. Chairman Maddox said they were told \$13,000 but they are really saying it's more. Lisa said no, the \$13,000 includes the six months of the leased line. Mr. Malizia said there is \$32,800 in that 403 Small Equipment line, and \$7,200 is for the lease. The balance was for the actual phone system.

(Start Tape 2-A)

Motion by Selectman Massey, seconded by Selectman Nadeau, to decrease 5660-403, Small Equipment, by \$25,600 from \$32,800 to \$7,200, carried 5-0.

Chairman Maddox clarified that Selectman Massey's "magic number" was six, and Selectman Jasper's was between four and five. Selectman Massey said between five and six, depending what they do with the warrant articles. Selectman Jasper said his target was four, without the library. Mr. Malizia said they could walk the Board through where they were at right now, if that was helpful, because there were a lot of numbers flying around. Selectman Massey

interjected that if the library bond issue was taken out, they would be sitting at 4.61% for the warrant articles and the operating budget. Chairman Maddox said they were close to both target numbers.

Recreation Department Capital Reserve Fund – 5810-450

Selectman Massey said there is currently \$25,000 in the Capital Reserve Fund for the Rec Center and thought they could take out \$10,000 which wouldn't affect their operating budget at all. If they take out the entire \$25,000 it would take another penny off the tax rate, but if they take it all out, and then put it back in next year, they've built in another tax increase. They've been putting in \$25,000 for the last three years; they wouldn't put in anything this year.

Motion by Selectman Massey, seconded by Selectman MacLean, to decrease 5810-450 Capital Reserve Fund, by \$25,000 from \$25,000 to \$0.

Selectman MacLean asked if they should remove that fund, now that they are using the Community Center. Selectman Massey said there are no immediate plans to expand the Rec Center, so they are at least a year and a half away from doing anything. Not putting in \$25,000 this year isn't going to make a material difference in the cost of a new building. This year, there are more warrant articles than he anticipated, some of which have a higher priority than putting \$25,000 in this fund. There is about \$39,000 in the Recreation contribution fund that developers pay into, so it's not like they don't have any money. Selectman Nadeau preferred taking out only \$10,000 because they need to be looking towards the future with this department, so he opposed the motion. Chairman Maddox opposed the motion, as well. The whole idea of a capital reserve fund is to start saving money for an intended purpose, spread over a long term. This shoots the long-range plan in the foot. Selectman MacLean said that plan was before they used the Community Center. Ms. Carpentier said the capital reserve fund was for rec facility land purchase. Selectman Jasper said they talked about using land at Robinson Pond, and he couldn't see them going out to buy land for a rec facility, as the Town already owned hundreds of acres. It doesn't make any sense to continue to fund this, and it is such a pittance, in terms of a building project.

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

Warrant Article M. Drug Officer

Selectman MacLean asked if the Board should revisit this article. Selectman Jasper didn't find the Chief's memo very informative, so Chief Gendron explained the rationale and funding sources.

Warrant Article O. Hire Associate Planner

Selectman Jasper said spending \$73,000 for this position could not be justified to the taxpayers. There has to be an offsetting revenue to be able to justify more staff—and the fees have been stagnant in that area. This is the wrong way to go, and he didn't think the Budget Committee would recommend it, either—and he will do everything he can to explain to the people that this is not in their best interest. Most people don't like the growth in Town, and they want things to slow down. As a landowner, he understands how slow the process is, but it is also incumbent on him to pay the costs for what he wants done, and not expect the taxpayers to pay for it. This is an afterthought without the preparation. Chairman Maddox's position was that raising the fees would be warranted, if this article passes. Development in Hudson is not going to stop, but it should be done in a proper manner, and the Town Planner already has a full plate. Selectman Massey said government's job was to serve the people and it doesn't always follow that people should have to pay for the service. His taxes are paying to support the schools and he didn't have anyone in school, but he benefits from the schools because his property values are impacted by the quality of the schools. Hudson is known as a difficult town to do business with. Next week, he will be bringing a proposal to the Board for consideration for one level of doing business with the town, relative to the Planning Board and the planning function in Town. They should make it comfortable for businesses to come to Town to build in order for a good mix of commercial versus residential. Right now, it's 75-25 and that needs to be pushed the opposite way to change commercial to a higher percent. They need to address the fee structure, but he also felt this position was needed. Selectman Nadeau thought this position was more clerical in nature, and should be presented as such. Selectman MacLean thought the people should decide this position. Discussion continued.

Motion by Selectman Massey, seconded by Selectman MacLean, to send Warrant Article O, to hire an Associate Planner, to the ballot, carried 3-2. Selectmen Jasper and Nadeau voted in opposition.

Police Union Contract

Selectman Jasper asked the status of this contract. Mr. Malizia said it's still being negotiated.

Warrant Article P, Hiring of Two Firefighter/Paramedics

Selectman Jasper said he didn't want to go here, but with the Associate Planner going to the warrant, given their choices—and all likely, they will end up with a police contract—this article is five cents, so it should be reconsidered.

Motion by Selectman Jasper, seconded by Selectman Massey, that Article P not be forwarded to the warrant failed 2-3. Selectmen Jasper and Nadeau voted in the affirmative. As part of the discussion relative to rationale, Selectman MacLean was glad to be able to reduce the numbers, but this was a matter of safety, and wondered if this was more important than the Associate Planner's position.

Selectman Jasper said she was the one who voted for it, not him. Selectman Massey thought these positions were important last year, and he still did because the need hasn't diminished.

Nonunion Salary Increases

Selectman Massey had questions on the two sets of numbers for the non-union salary increases. Mr. Malizia explained that the \$5,770 replaces the original \$22,000 because they've cut back on the people that are getting COLA. The other money is proposed to go into the budget, but would take Board action. Selectman MacLean referred to discussions they had at their October 24th meeting about compression issues between department heads and their second in command. They had said if they gave a 10% differential, it would take care of the problem forever, but that's not true. If the unions get a contract, and the voters don't approve the 3% increase every year, it will start shrinking again. It's not a given they do this just one time. The department heads won't always be 10% above their second in command. Selectman Jasper didn't recall every saying that. Chairman Maddox said their action was to correct an existing problem, not to fix it forever. Selectman MacLean said the Town Administrator was the one that was off the most, and they already solved that by putting that in the budget. She thought that every year, they could take a department head and make an adjustment for that person—this year, the Fire Chief—then wait for the next year to do another one, etc. One person per year, and everyone else is on the warrant. She made a motion to that effect, but didn't receive a second.

Mr. Malizia said the last time the Board met, they had a warrant article for consideration for 3% across the board for eight or nine professionals that work for the Town. Selectman MacLean said her motion was for everyone but the Town Administrator. Mr. Malizia said he was directed to update the article for a 3% adjustment for those non-union employees whose salary was not going to be included in the operating budget. Selectman Massey said that motion should be taken up second, after they decide what to do with the differentials, which would affect the wording of the warrant article, depending on the outcome of the vote.

Motion by Selectman Jasper, seconded by Selectman Massey, to adjust the Operating Budget by \$28,871 for non-union salary adjustments.

Selectman Jasper said the Board, at their last meeting, did make a decision as to where they wanted to go with this, which was passed along to the department heads by the Town Administrator. It would be wrong of the Board to change that decision now. Selectman Massey said they were talking about a compression issue with the management team and this motion would take care of the Chief of Police, Fire Chief, Community Development Director and Road Agent. The Town Administrator is already in the budget for this year and next year. Selectman Jasper said he always felt strongly that salary increases should go to the warrant, but at the same time recognizing there was no way they could adequately explain this in a warrant article. It needs to be done because of the compression between the department heads and their second in command. This is a one-time adjustment, if everything else goes according to Hoyle. From here on out the proposed increases would be in warrant article form, based on what was going on within the union contracts. If the voters go along with that, that would take care of it once and for all, but any time there is a hiccup, that creates a problem. This is going to be a difficult sell, but he is hopeful they can explain it adequately to the Budget Committee so they understand this is a necessary way of correcting a problem, which has been created over the years. He hoped the people at the deliberative session would also be convinced. They have excellent staff and department heads and they need to be treated professionally and fairly. That has not been the case of late when it comes to the salaries. Selectman MacLean didn't recall that the Board took any action on this, other than for the Town Administrator. Everyone shouldn't have been told they were going to get a significant increase in pay when it hasn't been voted on. Selectman Jasper said they didn't vote, but they did have a consensus on the issue.

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

Chairman Maddox declared a recess at 8:43 p.m. At 8:50 p.m., the meeting was called back to order.

Motion by Selectman Massey, seconded by Selectman Jasper, to send Warrant Article E, non-union salary increases, in the amount of \$5,770, to the ballot.

Mr. Malizia said he looked at area communities for these position, just as a gauge. These positions don't lend themselves to the 10% differential. There is some difference between the folks in Hudson and what they get paid and the communities they were compared to. These employees are also professionals. Kathy is the Finance Director, Dave Yates is the Recreation Director, who puts in many hours, and Priscilla is also one of the professionals. This warrant article accounts just for COLA, to try to move them more in line with those compared against. He wants to ensure all employees are paid fairly, particularly for their efforts on behalf of the Town, in comparison to the other professionals. He has presented this information in the past, but maybe not emphasized as much as it should be.

Vote: Motion carried 5-0.

Interest Payment for the Library Bond

Mr. Malizia said when the Board forwarded the \$4million library warrant article to the ballot, in consultation with DRA and the auditors, they need to account for the interest payment. There are two ways to account for it. One is to put it in a warrant article, or they could put it into the interest account on the Town's books, in the operating budget. After the first six months, they need to make a partial interest payment for the year. It has been accounted for in the budget

number, but they need to actually do something with it—either increase the warrant to reflect it, or put it in the budget to account for it. If this amount is not stated explicitly, it would actually cut into the principal that they borrow.

Motion by Selectman Massey, seconded by Selectman MacLean, to forward Warrant Article V to the warrant in the amount of \$4,113,333 of which \$4 million will be the bond and \$113,333 would be the first year interest payment carried 4-1. Selectman Maddox voted in opposition.

Warrant Article Y. Authorization to sell Town Property

Mr. Malizia said this was to sell the two parcels of land that are adjacent to the library, 47 & 49 Ferry Street, purchased over a couple of years with taxpayer money through the warrant. It is anticipated that once the library is built, these properties would become surplus and, therefore, be sold. He had more verbiage in it, but Atty. Buckley shortened it. Selectman Jasper wasn't happy with the way it was written. He thought the proceeds of this should be used to reduce the bond. He assumed the \$4 million bond could be structured so that a year and a half later, they can make a principal payment of \$500,000. Mr. Malizia thought that was outside the norm and he'd have to check into it. Selectman Massey said if they couldn't do that, they could at least put it into an interest bearing account and every year, when the principal comes due, they could pay the principal and interest from that account for those two years. The only problem with that would be a spike in the tax rate. It's a matter of timing. If they don't see the land before the bond is let, then they have to put the bond out for \$4 million. If they can sell the land before the bond is let, then they could do it. They have a six month window to sell the land. Mr. Malizia said it's not just the land. They are using those buildings for current library needs. Selectman Massey said they'd have to work that out if they could figure out how to sell the land in order to offset the cost of the bond. Selectman Jasper said that was a necessity, even if they have to rent some storage space some place and go without the meeting space because this has got to be tied into the bond. Chairman Maddox said this didn't need to be decided tonight. They have plenty of time to work out the legalese. Selectman Massey said this article has to be the first non-bond article, and it has to be clear that it is tied to a reduction in the cost of the library. Selectman Jasper said it has got to be tied together and they are just going to have to live with selling those properties. If they have to rent some place, there is going to be enough money within the bond because if they get \$1/2 million for those two houses, they've got \$113,000 for interest; there's enough money there and they can then rent some space, short term, to store whatever they have. There may be some short term pain, but it has to be done that way. He can't support one without the other. They need to go back to Town Council to find out how to do this, saying the Town of Hudson authorized the Board of Selectmen to sell Town-owned properties located at 47 & 49 Ferry Street, with the proceeds to be used to offset the cost, or lower the bonding amount, authorized in Article #1—or whatever the number is.

Motion by Selectman Massey, seconded by Selectman Nadeau, to send Warrant Article Y to the warrant, with the stipulation that the sale of the land be tied to the bond article for the library. Selectman Jasper said rather than use the motion to move it, to have the attorney review it to accomplish that goal. Everyone agreed that would be better. Mr. Malizia said this would come back for a motion at a later meeting.

Default Budget

Motion by Selectman Jasper, seconded by Selectman MacLean, to set the Fiscal Year 2008 Default Budget at \$26,091,392, carried 5-0.

Discussion of target figures, percentages.

Motion by Selectman Massey, seconded by Selectman Jasper, to submit to the Budget Committee, the Board of Selectmen's budget, for the operating budget, in the amount of \$26,853,932, carried 5-0.

Selectman Jasper said it was helpful working towards a goal, having send parameters to department heads. When they take out the things they had no control over, they did an excellent job with the operating budget. They were way too liberal with the warrant articles they were recommending, though. Mr. Malizia said the departments worked hard to meet the targets set for them and they made a sincere effort with their budgets—and the voters have the final say.

Selectman Jasper said the School Board has had great success for a number of years in working with the Budget Committee. Unless something is of critical importance, if the Budget Committee recommends no on something, the School Board has withdrawn that article. That has ensured they have gotten everything that is really important to them. He hoped the Board of Selectmen considered doing that, as well, because it is almost impossible to get something approved if the Budget Committee does not recommend it. There may be a couple of things worth fighting for, and that is fine, but they need to narrow that down and pick their battles.

Chairman Maddox thanked everyone, saying it has been a joy sitting at the front of the room and working with everyone. They all had differences of opinion, but that's what the voters want. They all represent a different slice. This was a professional, cordial process and a pleasure for him to sit at the front of the room.

Selectman MacLean thanked Jean Serino for producing three excellent programs that were designed to help inform the voters and a big thanks to HCTV volunteers who made those programs possible. On a personal note, she hoped even more politicians will participate in Jean's Conversations in the future. She is offering an extremely valuable resource to the people of Hudson and all politicians should take advantage of her platform. She also wanted to remind everyone that tomorrow is voting day, so get out to vote. She encouraged anyone who wanted to talk to her to do so.

6. **NONPUBLIC SESSION**

Motion 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, carried 5-0 by roll call vote.

Nonpublic Session was entered into at 9:10 p.m., ending the televised portion of the meeting. Any motions taken upon return to open session will be listed on the Board's next agenda. Nonpublic Session was terminated at 9:23 p.m.

Chairman Maddox will be meeting on Thursday with the Community Development Department Director and the developer for Hawkview, looking for a middle ground. Village District plan was discussed.

7. **ADJOURNMENT**

Motion to adjourn at 9:50 p.m. by Selectman Massey, seconded by Selectman MacLean, carried 5-0.

Recorded & transcribed by Priscilla Boisvert, Executive Assistant

HUDSON BOARD OF SELECTMEN

Richard J. Maddox, Chairman

Shawn N. Jasper, Vice-Chairman

Kathleen R. MacLean, Selectman

Kenneth J. Massey, Selectman

Benjamin J. Nadeau, Selectman