

# Town of Hull Financial Planning Committee

## MINUTES August 12, 2008 at 6:00 p.m.

### Mission:

- A. Assess the Town's financial position with updated five (5) year financial projections, including revenues, expenses, and capital budget.
- B. Chart a course of action over the next three months to determine whether to present an override question.
- C. Assuming the Selectmen will decide to present an override question, identify additional information and the steps necessary to define and move forward towards an override question.

**Members in Attendance:** Phil Lemnios, Stephanie Peters, Dennis Blackall, Joan Meschino, Harry Hibbard, Dick Kenny

**Also Present:** Kevin Richardson, David Twombly, Maria Hortoritis, Ginny Capo, Charlie Ryder, Marcia Bohinc, Deputy Chris Russo, Chief Richard Billings, Vinny Harte, Marianne Harte, Ann Herbst, Debbie McCarthy, Pat Finn, Jim Tobin, Dennis Zaia, Catherine Bowles, Kelly Beasley, Dan Johnson.

### Agenda:

1. Welcome and Meeting Overview
  - a. Meeting called to order at 6:02 p.m.
2. Minutes Review and Approval
  - a. Minutes for August 5, 2008, meeting approved as submitted by Stephanie Peters.
3. Five (5) Year Financial Projections-additional projections prepared
  - a. Debt remaining on Jacobs and Memorial schools and add in as a debt line...line 5B (level funded with one year override-school exclusions) line 5 represents the existing High School debt.
  - b. With a debt exclusion the town is not permitted to apply the 2.5% annual increase in tax level
  - c. The sample presented also indicated a 4% operational growth scenario
  - d. None of these scenarios include any Capital Expenditures
  - e. A separate document highlighted the debt the town is facing (4 pages). The manner in which the debt is calculated is different from the manner in which our residential mortgage debt is calculated. These pages are hard numbers.
  - f. Phil will follow up with actual numbers for the original cost projections for the three schools.(\$9M, \$14M, \$14M for a \$37

million total of which 71% of the total is reimbursable from the state)

4. Report to Selectmen – Define parameters
  - a. Joan would like to draft an outline for what will be presented to the Selectmen; with the assistance of Dick Kenney and Stephanie Peters for the next meeting
  - b. To be included: legal framework of the process; boil it down to 2-3 scenarios rather than the 12+ presented including the following scenarios all with Capital Expenses
    - i. 4% operational budget increase moving forward
    - ii. Level service funded moving forward
    - iii. Cut in service budget moving forward (no override)
    - iv. Capture the long term deficit totals and load it up front
  - c. Selectmen will still need all the information regarding the Capital Expenditures and the dollars needed for maintenance of our assets
    - i. Phil will establish arbitrary (based upon State figures) numbers for Capital Expenditures so that we can insert these figures into the budget projections
  - d. This committee will explain to the BOS the assumptions that were utilized to develop these scenarios.
  - e. The BOS will determine how the school debt will be presented and incorporated into the strategic planning for dealing with our financial challenges
  - f. Phil suggested that the presentation to the BOS be made at a meeting at the High School.....so that more people will be able to participate
5. Topic / Tasks for Next Meeting
  - a. For next week, Jim Tobin would like to see the tax impact of each of these 4 scenarios, but Phil was concerned that since we are only presenting information to the BOS we may not want to get tax numbers firmed up before any real decisions have been made by the BOS.
  - b. We will set another date for a meeting after August 26 in the event we need additional time.
6. Facts and Information for Dissemination
  - a. To be included: legal framework of the process; boil it down to 2-3 scenarios rather than the 12+ presented including the following scenarios all with Capital Expenses
    - i. 4% operational budget increase moving forward
    - ii. Level service funded moving forward
    - iii. Cut in service budget moving forward (no override)
    - iv. Capture the long term deficit totals and load it up front

- b. Selectmen will still need all the information regarding the Capital Expenditures and the dollars needed for maintenance of our assets
  - i. Phil will establish arbitrary (based upon State figures) numbers for Capital Expenditures so that we can insert these figures into the budget projections.....Next meeting will be on September 2<sup>nd</sup>.

7. Next Meeting: August 26, 2008 at 6:00 p.m.

Meeting adjourned at 7:13 pm