

HULL FINANCIAL PLANNING COMMITTEE MINUTES
TUESDAY, JANUARY 19, 2010

FINANCIAL PLANNING COMMITTEE MEMBERS

Domenico Sestito (Selectman), Chair
Dennis Blackall (Selectman), Vice Chair
Roger Atherton, (Citizen-at-large), Clerk
Richard Kenney (Advisory Board)
Brian McCarthy (Citizen-at-large, Council on Aging)
Stephanie Peters (School Committee)
Kevin Richardson (School Committee)
Charles Ryder (Advisory Board, alternate) - absent
John Silva (Citizen-at-large, former Selectman)
Charleen Tyson (Advisory Board)

STAFF MEMBERS

Marcia Bohinc (Town Accountant)
Philip Lemnios (Town Manager)
Kathleen Tyrell (Superintendent of Schools)

MINUTES

The meeting was called to order by Domenico Sestito at 6:07 PM at Town Hall in the Selectmens' Meeting room. He led the pledge of allegiance. He requested that all try to vote in the up-coming special election for U.S. Senator. He asked for consideration of the 12/29/09 and 1/5/10 Minutes previously submitted by Atherton to FPC members and staff by e-mail. Blackall moved approval of the 12/29/09 Minutes, seconded by Richardson, approval unanimous. Blackall suggested for the 1/5/10 minutes a typo change on 2nd page to correct "delete" to "deplete", and with that change moved approval, second by Silva, approval unanimous.

Sestito started the discussion of Kenney's version of the "Report to the Selectmen" (which included the suggested changes by Tyson). Blackall distributed his suggested revisions to the Kenney Report. Bohinc distributed updated appendices that had been discussed at the last meeting. Lemnios commented that there would need to be some small changes in the percentages as some changes in health expenditures could be used to affect other expenditures in general government and school department (these were later determined by the FPC to be more appropriate for the Lemnios Report to the Selectmen; the FPC would retain the original estimates for consistency, since the FPC is more

concerned with the concepts and approach rather than the specific numbers). Lemnios added that he believes “the tenor and tone of the Report are accurate.”

Blackall described the reality that the deficit in FY 11 will continue into FY 12 and that there are no obvious ways to solve that problem once we use the Stabilization Fund and the one-time Charter School Assessment reduction for FY 11. He also wanted to add another paragraph with additional quantification of the likely deficits that would be required to maintain level services in FY 2012. After much discussion, the FPC decided that these numbers were somewhat new and not fully studied. All seemed to agree that we need to examine whether a level-services budget is a sustainable strategy. Kenney indicated these numbers could be correct, but he believes we are stepping beyond what we have been tasked to do (provide an updated budget for FY 11). Silva indicated he agreed with Kenney and Tyson, and we would do well to add a sentence on sustainability to the Executive Summary. A consensus developed that rather than use Blackall’s numbers in this report, the FPC needs to study this carefully. Blackall admitted his numbers are imprecise and would welcome further study. The FPC decided instead that we should add to our recommendations that the BOS direct the FPC to make projections of the level services budget beyond FY 11 and report back as soon as possible.

Kenney stated we need to make a statement in support or rejection of the School Committees 21st Century School request for \$1.9 Million (plus health and benefit costs to be determined by Lemnios). Silva said this seems beyond our purview. Tyson said we must say something. Blackall indicated we do not have firm numbers, but we should take a position. Atherton distributed a comment sheet called the “Contrarian view” which summarized many of the numbers already in the report - the \$1 million deficit if there is a 10% State aid cut; the education Improvement (21st Century School) cost of \$2 million; the not included (last year’s FPC Report estimated need in FY 11) Capital Improvement-general of \$1 million; and an arbitration contingency of \$1 million - which all add up to \$5 million. He further recommended that this be included as an appendix recommending that the BOS be prepared to put these on the Town Meeting Agenda as menu items for overrides and let the voters decide what they want the Town of Hull to be.

After much discussion about overrides versus debt exclusions, whether we should include in the report specific action recommendations that had not previously been discussed, and the additional possibility of the Library requesting a capital override for \$4 million (for which an extension has been requested of the State), Kenney stated all these were already included in the Report. Blackall commented that they were not all brought together in one place to establish the totality of the financial risk. Peters, supported by Silva, indicated they were opposed. McCarthy indicated he thought it was a good overview, but premature. Lemnios commented that some of these were risks (State aid and arbitration)

and some were choices (education improvement and capital improvements). Silva indicated that this discussion is important and perhaps vital, but we should finalize the Report and that Atherton's comment sheet was going beyond the scope of the Report. So Tyson recommended we table it. Blackall commented that raising such a "contrarian view" was well worth the time to discuss and should be encouraged.

The appendices were discussed as to which ones to include. After some discussion, Blackall recommended a small group do this. Kenney, Blackall, Tyson, and Lemnios agreed to do so. There was some discussion about sending the final version out for agreement by e-mail, but this was seen to be a violation of the Open Meeting Law. So, it was decided, the Report with appendices would be sent out for review, but it would be finalized at the next meeting on January 26. That way the BOS could be given a report that was all but finished, so they could read and study it before their scheduled meeting, with the understanding that there might be minor changes at the last minute. Lemnios indicated that if this could be done by 6:15 that would give him enough time to copy the changes, and any explanations, for the Selectmen in time for their meeting at 7:30 PM.

McCarthy stated he thinks the FPC needs to discuss real action and financial savings. Sestito indicated that would be on next week's agenda. Atherton pointed out that Lemnios had brought a list of Town properties to the meeting and McCarthy had been requesting this for a very long time. Lemnios distributed a sheet with buildable lots owned by the Town for discussion at the next meeting.

Sestito indicated the next meeting will be January 26th at 6 P.M.

Motion to adjourn: McCarthy

Second: Peters

Vote: Unanimous in favor

Meeting adjourned at 7:50 P.M.