

HULL FINANCIAL PLANNING COMMITTEE MINUTES
TUESDAY, JANUARY 26, 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)
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 6:02 PM at Town Hall in the Selectmen's Meeting room. He led the pledge of allegiance. He asked for consideration of the 1/19/10 Minutes previously submitted by Dr. Atherton to FPC members and staff by e-mail. Blackall moved approval of the Minutes, seconded by Kenney, approval unanimous.

Sestito indicated that the Board of Selectmen's Meeting will begin at 7:30 PM. He stated we will recess the FPC meeting and reconvene during the BOS meeting to present our report. The FPC's latest report is dated 1/19/2010. Kenney described the recent changes to include the suggestions from the last FPC meeting and the most recent budget numbers. He thanked Atherton, Blackall, and Tyson for their contributions. Silva moved approval, McCarthy seconded, approval unanimous.

Sestito opened the discussion on the document distributed by Lemnios at the last meeting on the "vacant town-owned prime properties." Lemnios described these further as "build- able lots" that came into Town possession through a variety of venues - Land Court, default in taxes, etc. - that depending on the source, the manner of distributing

would be somewhat different. The Board of Selectmen would have to decide what conditions they wanted attached to the sales and whether to do by RFP or auction. He indicated that MGL - 30-B guides the Town's disposition of property. Dr. Silva wanted to know which were taken by Tax settlement? Lemnios responded he would have to check the Registry of Deeds. Lemnios went on to describe many of the complexities involved in disposition. Dr. Atherton asked if these complexities were such that Lemnios thought it was not worth the effort to dispose of these properties? Lemnios responded that he thought it would be worth it in the long run, but it would take a lot of time and effort and therefore the Town would not recognize any potential revenue in FY 11, it would more likely be FY 12, and most likely in FY 13 (and via "free cash" which adds its own complexity to the process). Blackall made a motion to recommend that the Board of Selectmen pursue possible sale of these build able properties and take necessary action to decide whether to place as a warrant for Town Meeting; Sestito seconded; vote unanimous.

Peters asked about the railroad beds. Lemnios described the fact that there are many uncertainties and ambiguities surrounding these as they went through bankruptcy and abutters have encroached upon these for many years. Much additional study is needed. McCarthy indicated we should ask the Town Manager to make a list of the unbuildable lots to see if they can be used. Sestito asked Lemnios to create such a list. Dr. Silva asked about the properties bordering on "paper streets" and Lemnios responded that is a difficult issue and would depend on a lot of factors specific to the location and parties at interest. Dr Silva asked about the property of the former water tower; Lemnios answered it belongs to Aquarion.

Sestito opened a discussion about the mid- to long-term priorities. Blackall suggested the FPC break into sub-groups to discuss the groupings that he and Tyson had put together. Dr. Atherton responded that perhaps the FPC should discuss these groupings before assuming that they represented a consensus. McCarthy recommended we group these by actionable items, so that the FPC can bring forward things that will increase revenues and/or reduce costs promptly.

Sestito indicated the next meeting will be February 9th at 6 P.M.

Motion to recess (to reconvene during Board of Selectmens' Meeting): McCarthy

Second: Dr. Silva

Vote: Unanimous in favor

Meeting recessed at 7:20 P.M.

Motion to re-open at 8:20 PM by Sestito, seconded by Blackall, vote: unanimous in favor.

Sestito reviewed the FPC Report. He reviewed the charge from the BOS, the members of the FPC, and the three scenarios - level funded, level services, and the needs-based budgets. He discussed the assumptions regarding level State aid and the possibility of a 10% budget cut. He mentioned the Stabilization Fund use, the light Plant PILOT, and other issues that led to a deficit of \$430,600 and that the Town Manager was proposing a variety of actions to break-even. He then described the risks involved: the uncertainty of State aid; the teacher's union arbitration that could mean a \$600,000 additional cost; the Stabilization Fund could be depleted by FY 13; and there is only \$255,000 allocated for capital improvements which clearly doesn't cover the town's needs. He recommended that the FPC be continued as it had developed a list of 21 items for revenue enhancement and cost reduction (the is likely to be expanded) and it could look at these and make recommendations to the BOS.

Blackall added that there are additional risks in that the political situation right now for the Fall does look reasonable for level-funded State aid, but once elections have passed the reality is a strong possibility for mid-year reductions in State aid and there is no provision for that in the proposed FY 11 budget (as was done in the FY 10 budget). Further, the FPC has not discussed, nor analyzed, the potential problems beyond FY 11 and whether level-services in Hull are sustainable. In addition, there has been no analysis yet of the School Department's requested \$1.9 million override for the 21st Century School Program. Blackall made a motion that the FPC study these and make recommendations to the BOS. Oliveri asked what help is needed. Blackall said we need information to extrapolate from FY 2011 to FY 2102 and beyond. Oliveri then asked if we cannot afford level services beyond FY 11, might the FPC suggest reducing services in FY 11? Sestito and Blackall both indicated that the consensus was Level Services for FY 11 and a thorough analysis and research be done to pursue the priorities being discussed presently by the FPC. Reilly made the motion to keep the FPC intact and do the work outlined by Blackall in his motion. Oliveri seconded, vote: unanimous in favor.

Sestito moved the FPC meeting be adjourned; seconded by Blackall; unanimous in favor.

Respectfully submitted: Dr. Roger Atherton, Clerk