

HULL FINANCIAL PLANNING COMMITTEE MINUTES

TUESDAY, JUNE 22, 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) - absent
Kevin Richardson (School Committee) - absent
Charles Ryder (Advisory Board, alternate)
John Silva (Citizen-at-large, former Selectman)
Charleen Tyson (Advisory Board) - absent

STAFF MEMBERS

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

MINUTES

The meeting was called to order by Sestito at 6:07 PM at Town Hall in the Selectmen's Meeting room. He led the pledge of allegiance. He requested approval of the FPC Minutes for May 25, 2010 meeting submitted earlier by e-mail. Dr. Silva moved to accept, seconded by Mr. Ryder. Mr. Blackall and Mr. Kenney abstained as they were absent on May 25th.

Mr. Sestito indicated that Article 23 from Town Meeting had been referred to the FPC and it was first on the agenda for discussion. This article regarded selling two lots on N street, which are bonded so the process is complex. He asked Mr. Lemnios to comment. Mr. Lemnios stated these properties are bonded for \$525,000 on a 20-year note. There are three possibilities. (1) The Town sells the properties for \$525,000, puts the funds into a segregated escrow account and makes bond payments out of that account. (2) The Town sells the properties for less – say \$325,000 – same process, and makes payments until the funds are exhausted and then makes the bond payments from some other account – the general fund. (3) The Town sells the properties for more than the \$525,000, same process, makes bond payments until the bond is extinguished, and then can use the funds for other purposes. Mr. Ryder asked, if in the unlikely scenario of selling for more, can the town separate the additional funds. Mr. Lemnios said no, not until the bond is extinguished. Ms. Bohinc indicated another complicating factor is that the land borrowing is incorporated in a much larger bond that included school funds, desalinization funds, seawall funds, and so it cannot be separated. She went on to say that the actual bonded amount for the properties was \$563,000 which included demolition costs.

Mr. Blackall asked how the sub-committee treated these properties. Mr. Lemnios explained that the first list compiled was a list of all Town-owned property consisting of over 120 properties. That "first" list was screened for properties to remove playgrounds, Parks & Recreation, conservation land, and any where there was an assigned use. These included the two properties in question as they were set aside for construction of a future library or any other general Town use and the property across the street was intended to be used for library parking or other general Town use. Mr. Blackall asked if the FPC could get a presentation regarding this process. Mr. Lemnios agreed he could do that as he had all the documentation. He described how the Assessor's Office had compiled a list of 165 properties, the Sub-Committee had narrowed the list to 66 properties (as described above) and Mr. McCarthy had then taken the Assessor's maps and outlined each property, visited them, and the S/C had prioritized them, and narrowed the list to five lots which had the highest value and were most likely buildable. Mr. Blackall commented he was not questioning the process, he just wanted the methodology to be spelled out in a public forum and hoped it could be posted on the Town website.

Mr. Sestito indicated he would like to have the FPC decide what do we want the final outcome to be, what do we recommend back to Town Meeting? Dr. Silva made a motion that the “recommendation as proposed by the sub-committee (that these properties be deleted from the list of properties to sell) comes before the FPC for a vote. And that this Committee should recommend whatever it decides to the Board of Selectmen (BOS).” Also, he stated that the S/C should make a formal recommendation to be incorporated in the Minutes.

Mr. Blackall said this should go before the Town Meeting. Mr. Lemnios said some properties should, some didn’t need to. But it was up to the BoS, they could go beyond the legal minimum requirement if it so wished. Mr. Sestito stated he thought the FPC should make a recommendation unless there were strong objections. Mr. Lemnios indicated that regardless of our recommendation and/or the decision of the BoS, if the motion were to sell, a new warrant would still be required for any action to take place other than “no action.”

Mr. Kenney stated that there was no big hurry if it has to go before Town Meeting which is many months away. Things could develop, such as the Library getting a grant and that might change our minds. He recommended we table action until later. Mr. Sestito disagreed saying that we should move forward, that budget issues are soon going to be taking up our time and that even if we decide something now and the economy did change drastically, we could bring it back up. Mr. Blackall indicated that if we do make a decision tonight, he would like a full discussion so we can provide the BoS with our reasoning. Mr. Ryder made a motion that we take these properties off the sell list as the return, if any, would be 10-15 years away (because of the bonding) and we should be focusing on those properties that would bring in money to the general fund more quickly. Motion seconded by Mr. McCarthy. Mr. Blackall made the point that although selling would not bring money into the General Fund for several years, it would reduce money coming out of the expense portion of the budget, a cost avoidance of approximately \$65 -70,000. Mr. Ryder responded that it would mean having a bond on a property we get no long run use from and are paying for, and others, such as Parks & Rec., would like to have use of.

Mr. McCarthy suggested we consider separating these properties, as he could see a rationale for keeping the property abutting the playing field, but not the property across the street as it is buildable and has sales potential. Dr. Silva stated he is unalterably opposed to selling the lot next to the ball field, as we have so little land for recreation. He said he does not feel that way about the lot across the street. He also indicated he is opposed to tabling, just because we are having trouble making a decision. He would rather have a vote on what the philosophy of this committee is, what action we recommend, and go forward. Mr. Ryder pointed out his motion was not to table, but to take the properties off the sell list. Mr. Blackall made a substitute motion to deal only with the southern portion, contiguous to the ball field, and take it off the table for sale. Motion seconded by Mr. McCarthy; vote 4 aye, 3 no. Mr. Ryder made a motion to take the northern portion off the table for sale, seconded by Mr. Sestito; there was much confusion as to what was voted initially. Mr. Blackall made a motion to reconsider, seconded by Mr. McCarthy. Vote 5 in favor, 2 opposed; motion carried. He re-iterated that the first motion was to not sell the southern portion, contiguous to the ball field, seconded by McCarthy; vote unanimous in favor. Mr. Ryder made the motion to not sell the Northern property on N Street, seconded Mr. Kenney. Mr. Wolfe commented that this property is important, that the Town Meeting voted strongly to do something useful to the Town, parking is important and scarce, it could be a revenue source for parking, the Town spent an exorbitant amount for the property (admittedly in a better real estate market), safety is an issue, and it ought to be used for Town purposes. Mr. Sestito added he supported these comments and that land is scarce and he doesn’t believe it is right to make our children pay for something that they don’t own and will not be able to use. Mr. Ashley (library trustee) stated that is important to keep that property for possible library development. Mr. Sestito called for a vote; 5 in favor (of Not Selling) and 2 opposed (with Mr. McCarthy stating he was not opposed, although he voted no because he feels it should be looked into more).

Mr. Sestito asked for an update from the Hull-Owned Property Sub-Committee. Mr. Lemnios said there are some five lots that were looking good. Three are at Spring and Nantasket. Two are large lots and a smaller one is contiguous, but is smaller and relatively inaccessible unless combined in some way with the others. Mr. Lombardo, Building Commissioner, has looked at the lots and had designed a possible way to create three possible buildable lots. The properties would have to be disposed by Town Meeting vote and the School Committee would have to declare the property surplus. There is a lot on Mountford that could be made into two buildable lots, although the slope could be an issue, so that it would not be easily buildable and therefore not as attractive. There has also been some significant improvements (not made by the Town) to this property, an expensive stone wall, and Mr. Lombardo and Mr. Lemnios are checking this out. Of course, before disposal, there would be open meetings and perhaps the neighbors will have opinions about this. The property was taken by tax title

and can be disposed of by the BoS. Mr. McCarthy indicated he thought there should be open discussion on this property perhaps one open meeting at Town Hall and another at the site itself. If there are no big objections, then the BoS should sell, as opposed to Mr. Blackall's earlier comment that all properties before disposal should go before Town Meeting. He wants the BoS to lead and moving quickly rather than waiting for town Meeting. Mr. Lemnios commented that he thought it appropriate for the S/C to visit this issue of the appropriate process and would recommend the S/C make a recommendation to the FPC. Mr. Blackall stated that he thought it important to decide on a process as he believes whether properties need to go to Town Meeting or the BoS will impact votes. Mr. Sestito indicated the FPC needs to vote up or down on these five parcels and leave to the BoS whether they want to take to Town Meeting or not. Mr. Lemnios said that three of the four lots have to go to Town Meeting by law. Mr. Sestito indicated we were out of time and we would pick up on this at the next meeting.

The next meeting will be July 20, 2010 at 6:00 PM. Motion to adjourn by Dr. Silva, seconded by Mr. Kenney, vote was unanimous in favor. Meeting ended at 7:15 P.M.

Respectfully submitted: Dr. Roger Atherton, Clerk