

HULL FINANCIAL PLANNING COMMITTEE MINUTES
TUESDAY, MARCH 9, 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)
Charles Ryder (Advisory Board, alternate)
John Silva (Citizen-at-large, former Selectman)
Charleen Tyson (Advisory Board) - absent

STAFF MEMBERS

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

MINUTES

The meeting was called to order by Sestito at 6:03 PM at Town Hall in the Selectmen's Meeting room. He led the pledge of allegiance. He asked for consideration of the 2/9/10 Minutes, previously submitted by Dr. Atherton to FPC members and staff by e-mail. Blackall moved approval of the Minutes, seconded by Kenney, vote: approval unanimous.

Sestito announced that Blackall had been appointed chair of the 21st Century Schools/FY 12 & Beyond Budget Sub-Committee and McCarthy had been appointed chair of the Town-Owned Property Review Sub-Committee. He asked each to review progress to date.

Blackall indicated that Lemnios and Bohinc had put together new budget projections using the latest prediction that State aid was likely to be reduced by 3%. The new projections for FY11 were distributed along with projections for FY 12 and FY 13. All use level-services as the base. The basic difference from the estimates provided in the earlier Report to the Selectmen is that General Government and School expenditures are assumed to increase by 4% in FY 12 and FY 13 rather than the 4.33% and 4.86% respectively used for FY 11. Also Health and Other Insurance are assumed to increase

by 10% in FY 12 and 13. Scenario #1 projects revenues and expenditures without the proposed 21st Century School Over-ride and Scenario #2 projects revenues and expenditures including the proposed \$2.35 million School Over-ride, with \$1.9 million in the School Budget and \$.35 million added to health insurance expenditures (to cover new hires in the Schools).

Blackall then described the results that in Scenario #1, there is a projected deficit of \$178,000 in FY 11. Lemnios stated that he believes he can cover that within his own budgetary discretion. Blackall continued that the deficit in FY 12 is projected to be \$1.18 million and in FY 13 \$1.86 million in FY 13, for a total deficit of \$3.04 million through FY 13. If the 21st Century School Over-ride passes, the projected deficit in FY 12 will be \$1.23 million in FY 12 and \$1.98 million in FY 13, for a total deficit of \$3.21 million through FY 13. Dr. Silva asked if these projections included any assumptions regarding the potential union arbitration with the School. Lemnios said no and if the Town lost, it would affect all personnel costs, not just the School Department. Blackall continued that these are significant shortfalls in either scenario and significant decisions are going to need to be made to enhance revenues or reduce expenditures in order to balance the Town's budget. He said the Town is going to have to be very creative if it wants to avoid increasing real estate taxes beyond the allowed 2 ½ %. Dr. Atherton pointed out that if revenues can increase no more than 2 ½% and expenditures are increasing 4 % (salary costs) to 10 % (health and insurance), then it is inevitable that we are sinking into a deep fiscal hole. Lemnios and Kenney quickly pointed out that it is not just Hull, but all towns that have these problems.

McCarthy then described the activities of the Town-owned Property Review Sub-committee. Lemnios had provided a substantial list of these properties, including Conservation Land and Conservation Restricted Land. The Sub-committee reviewed these properties and in order to develop a manageable number, ranked them into the following categories: 1. Immediate investigation, 2. Secondary investigation - owners might have interest, 3. Lower-level investigation, 4. R - research, 5. 1- R. Immediate but research required, 6. R-M research municipal. McCarthy provided another hand-out that showed all these properties and their designations (from which the Conservation lands had been removed as had others deemed too small or unlikely to be buildable lots) - a list of 65 properties. He then showed another exhibit with each of these properties shown in plot plan form, high-lighted and numbered. He then discussed each of the properties ranked #1 and a few others that looked particularly promising for potential sale.

There were several discussions about different properties and whether the lots were in fact buildable. Undeveloped lots by Hull Zoning By-law can use only the land to the high-water line for calculation of lot coverage, whereas already developed lots may use to

the low-water line. As a result, some of the properties on the Master List will not be buildable. Property #10 - Beacon Road - was the subject of much discussion as the bluff is eroding, the neighbors are strongly opposed, the topography is difficult, and access is an issue. Lemnios commented that he had participated in many meetings regarding this property with abutters and others. He believes significantly more due diligence is required before any decisions can be made. Dr. Atherton pointed out we were spending a lot of time on one property that is listed as an R - requiring research, that no decision had been reached by the sub-Committee, and that we should be focusing on properties rated with higher priorities.

The next step in the process is to have the Town do further research on how these properties were acquired as that affects the process for disposition. The legal office, the assessors office, and the building department may all need to become involved. However, Lemnios has put a place-holder on the Town Meeting warrants in case some of these can be made ready in time. It was agreed that there is much work to be done, a Special Town Meeting could be held in the future when that work is further along, and in any case it would be unlikely that any revenues would accrue to the town until FY 13. The process will heavily involve the Board of Selectmen and will be very inclusive of property abutters and other interested property owners.

Sestito announced that the next meeting would be March 30 at 6:00 PM. Dr. Silva moved the FPC meeting be adjourned; seconded by McCarty; vote: unanimous in favor. Meeting ended at 7:18 PM.

Respectfully submitted: Dr. Roger Atherton, Clerk