

HULL FINANCIAL PLANNING COMMITTEE MINUTES

TUESDAY, JULY 20, 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)

STAFF MEMBERS

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

MINUTES

The meeting was called to order by Mr. Sestito at 6:04 PM at Town Hall in the Selectmen's Meeting room. He led the pledge of allegiance. Dr. Atherton indicated he was recording the meeting so he could do the Minutes. Mr. Sestito indicated the Town was recording the meeting with both audio and video. He requested approval of the revised FPC Minutes for June 22, 2010 meeting submitted earlier by e-mail. Mr. Lemnios suggested he would make copies so the members could read the Minutes, if they had not already done so. In the meantime, he asked if Ms. Bohinc could deliver the updated information on the Town debt schedule starting with FY 2011. The revised exhibit she distributed now shows the bond that was issued this month for the high school, which completes all the issuing of debt for all the schools and the Town. Mr. Blackall asked if there was anything outstanding that needed bond borrowing? Ms. Bohinc indicated only some for the sewer project and dredging, both of which are for enterprise accounts that do not directly affect the School or Town debt. Mr. Blackall then asked about the total debt exclusive of interest. Ms. Bohinc computed this and responded later in the meeting that the total outstanding debt is \$20,406,286. Mr. Ryder asked if this included the total reimbursement from the State? Ms. Bohinc said no, that was carried separately and had all been reimbursed by the Massachusetts School Building Authority including interest costs when incurred by the Town.

Mr. Sestito announced that Ms. Tyson had resigned from the FPC and that he was going to turn to the Advisory board for a replacement. He thanked her publicly for her service. Mr. Blackall made a motion that Mr. Lemnios write her a letter of appreciation. Motion seconded by Dr. Atherton, vote unanimous. Mr. Lemnios distributed copies of the June 22 Minutes. Mr. Ryder made a motion to approve the Minutes, seconded by Mr. Kenney, vote unanimous. Dr. Silva made a motion that in future minutes that when votes are split yeas, and nays should be identified. Blackall seconded. Dr. Atherton pointed out that he had talked with Mr. Lampke and that the new Open Meeting Laws required only the number of pro and con be recorded. Vote unanimous. Mr. Richardson stated that only the negative votes need be identified, as the reader could discern the positive votes by looking at the list of members attending.

Mr. Sestito asked if the FPC was in favor of approving the memo distributed by e-mail by Dr. Atherton regarding a motion to forward to the Selectmen regarding action on Warrant #23 sent to the FPC by Town Meeting vote. Mr. McCarthy wanted it made clear that he was an opposing vote as he is in favor of retaining the property adjacent to the playground, but as to the northern property, he was in favor of doing something with the property rather than delaying action. He believes we are 3-5 years from potentially getting a library on the lot across the street and that is a discussion for another day. In the meantime, we have an overgrown, weedy, decrepit property on the main road, and to do nothing with it is unacceptable. Until the FPC reports back to Town Meeting, the Town at the very least needs to maintain the property and should consider making it a

parking lot and collect fees from non-Hull residents. Mr. Sestito stated that his opinion could be expanded in the statement and that the second negative, Mr. Blackall, should be identified. He made a motion to do that. Mr. McCarthy added he would like to amend the motion to include the Town clean up the property in the next 7 to 10 days. Mr. Sestito agreed to the amendment. Mr. Blackall added he would like to continue the discussion to include all comments so that we can get this all done by next meeting. He indicated he was happy to explain his reason for voting no, but then he thought it only fair that all the positive votes should explain their reasoning as well. He then added that the motion should include the Town should take care of the property and the recommendation should be sent to the BoS. The motion as amended was seconded by Mr. McCarthy. Vote was 7 in favor, and 1 opposed, Mr. Ryder.

Mr. Sestito then asked if we should send this document to the Town Meeting? Dr. Silva indicated he thought the Committee is getting carried away with what our purpose and authorization was. His opinion is that we are advisory to the BoS, it is not our purview to make recommendations to the Town, only the BoS. Dr. Atherton pointed out that it was the Advisory Board that at Town Meeting asked us to consider this and send a comment back to the Town Meeting. Mr. Lemnios suggested the FPC could take any of several actions including we referred it back to the BoS, but there is a clear expectation that the FPC owes some comment to Town Meeting. Mr. Blackall suggested the FPC take something to Town Meeting and also report back to the BoS, and notify them that this what we intend to present to Town Meeting. He made a motion we send to both BoS and Town Meeting. The motion was seconded by McCarthy, vote unanimous in favor.

Mr. Sestito asked Mr. McCarthy for an update from the Real Estate Sub-Committee (S/C). Mr. McCarthy reported the S/C is concentrating on identifying 3 lots on Spring Street, a property near Ft. Revere, and properties on Mountford Road. We've done a site visit to Mountford and an abutter seems to have extended improvements to his property onto Town-owned land. It looks like it can be more quickly sold and by the BoS rather than Town meeting, but we do need to determine the legal lot line, so the Town can go to the abutter and clarify ownership. The S/C (S. Peters absent) recommends that the FPC move forward to sell these properties on Mountford. The properties on Spring Street will require Town Meeting action and so is a ways off. There are three properties and one of these will require the School Committee to declare surplus. These lots by Ft. Revere are more complex because there is a discrepancy in the records. Mr. Lampke's research indicates that two of the properties were in the possession of the Town, but apparently were redeemed, and thus the remaining property (some 6,000 sq ft) is too small to develop, but this needs to be confirmed as the Assessor's records say it is much larger at 26,000 sq ft including the properties that possibly have been redeemed. Mr. Lampke is obtaining quotes for a quick survey for the Mountford property lot lines, the discrepancy in the records on the property near Ft. Revere, and the likely best use of the properties on Spring Street (how many and what shape would be best for development). The S/C also recommends that those properties that can be sold without Town Meeting approval be done as quickly as possible by the BoS, as delaying for Town Meeting will slow the process down and postpone any cash flow.

Mr. Lemnios explained there is a distinction between land acquired by the Town for a specific purpose, e.g., the library, as approval had to be obtained through a Town Meeting, and so if the purpose changes and the land is no longer needed, the source of approval to make the change must be a Town Meeting vote. On the other hand, land acquired through tax-taking was not approved by Town Meeting, inadvertently belongs to the Town, and should be returned to the tax roles as quickly as possible by action of the BoS. Mr. Sestito asked if the S/C would be providing a report on these recommendations? Mr. Lemnios responded the Minutes will reflect these discussions by the Real Estate S/C. Mr. Sestito continued, shall the FPC make a recommendation to the BoS that we support the S/C recommendation to sell the Mountford properties, Spring Street properties now needs to go to the School Committee to declare surplus, and the other three properties on the top priority list need further work? Dr. Tyrell indicated that the School Committee had already discussed the Spring Street property, had decided it was not needed, and she would get Mr. Lemnios something official the next day. Mr. Sestito asked the FPC if it was in favor of moving the recommendation of the S/C forward to the BoS? Mr. Ryder made a motion to do so, seconded by Mr. Kenney, vote 7 in favor, 1 opposed, Mr. Blackall.

Mr. Blackall asked how soon can we put these properties on the market? Mr. Lemnios responded that it will take some time, we need a formal hearing process, but hopefully before the end of the fiscal year. Mr. Blackall asked if the /Town has spent any money on this? Mr. Lemnios responded not so far, as the research so far has only been a small amount spent out of Mr. Lampke's legal budget on deed research. Mr. Lampke is gathering quotes on the engineering work that now needs to be done. Mr. Blackall concluded that if the properties are sold in 2011, the cash will be certified in 2012, and will be available in 2013, so he recommended we need to move with urgency. He then asked if there are other properties we should be doing

this for? Mr. Lemnios stated that the S/C had concentrated as these as the most likely to be saleable, buildable, and having the highest return to the Town. He continued that the S/C yesterday had discussed some next steps, such as small properties that would be of interest to abutters – that Weymouth had done this. The next tier down was a property on Allerton that needs access. Mr. Blackall asked if the highest priority was getting as much money to the Town as quickly as possible? Mr. Lemnios responded that no, the S/C had not reached that level of prioritization – as to whether to concentrate on properties disposable by the BoS separated from those disposable only through a Town meeting. Mr. Blackall said he was trying to determine whether the criterion was speed of disposal or cash gained? Mr. Lemnios responded we picked the ones with the biggest potential amount of cash flow with buildable lots regardless of the disposition process. Mr. McCarthy added that the S/C picked the ones that made the most sense, any further down the list and we would get into properties that would be more difficult to sell and that could affect the quality of life for some residents of Hull. Mr. Lemnios stated that we certainly could take a second look at the list and re-sort into tax-taken properties disposable by the BoS versus those disposable only by Town Meeting votes. Mr. Blackall commented that the purpose should be to get cash for the Town as quickly as possible. Mr. Lemnios agreed and stated we also need to settle on a process that will affect the speed of disposition. Mr. McCarthy added that consideration and due diligence on the 65 properties could take many years.

Mr. Sestito asked for an update from the Fee Schedule Sub-committee. Mr. Lemnios responded that he will have an update at the next meeting.

The next meeting will be August 24, 2010 at 6:00 PM. Motion to adjourn by Dr. Silva, seconded by Mr. Richardson, vote unanimous in favor. Meeting ended at 6:53 P.M.

Respectfully submitted: Dr. Roger Atherton, Clerk