

# HULL FINANCIAL PLANNING COMMITTEE MINUTES

TUESDAY, OCTOBER 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)  
Ernie Minelli (Advisory Board)  
Stephanie Peters (School Committee)  
Kevin Richardson (School Committee) - absent  
Charles Ryder (Advisory Board, alternate) - absent  
John Silva (Citizen-at-large, former Selectman) - absent

## STAFF MEMBERS

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

## MINUTES

Mr. Sestito called the meeting to order at 6:00 PM. He distributed the Agenda. He reported that the meeting was being recorded with audio and video by the Town and by Dr. Atherton for the Minutes. He thanked Mr. Blackall for running the last meeting. He welcomed Mr. Minelli as the new representative of the Advisory Board, replacing Ms. Tyson. He asked for approval of the Minutes. Motion to approve the Minutes of 9/21/2010 made by Mr. Blackall, seconded by Dr. Atherton, vote: unanimous in favor with abstentions of Mr. Sestito and Mr. Minelli, who were not present at that meeting. He announced that he wanted the meeting to end by 6:55 PM.

Mr. Lemnios indicated that the Sale of town Owned Property Sub-Committee met yesterday. Mr. Lampke presented a memo written by Mr. Lampke that outlines the Weymouth process used for the disposition of small lots that would typically have greater attraction to abutters. He went on to describe in some detail the 19 step process (copy attached). He added the town has to be careful regarding "keystone" lots – those that someone could combine with another property that could then be subdivided and create an additional buildable lot, which would make the "keystone" lot much more valuable than the typical small lot – to make sure the Town obtains full value. Also, if it is a keystone lot, then does the Town want to sell it or not; do we want the increase in density, and if not, what restrictions we should place on the sale; and what impact these will have on the revenue to the Town?

Mr. Lemnios explained that Mr. McCarthy, Chair of the S/C, had put together two additional lists. He had already submitted Phase I – the 165 Town-owned properties reduced to 65 that were more likely saleable and of greater value, and plotted these out with color coding. He had submitted to the S/C yesterday Phase II – Non-buildable abutters lots, 33 lots; and Phase III – Other Properties for Disposition, some eight plus areas that had lots that might be combined in various ways after further investigation/consideration. Since then he had plotted these all out and color coded them and submitted them to Mr. Lemnios and others today. Mr. Sestito then thanked Mr. McCarthy for all his hard work and time. He then asked Mr. McCarthy if the job of the S/C was completed and he responded affirmatively. Mr. McCarthy said the job of the S/C was to identify these properties, Mr. Lampke has come up with a process for disposition that the S/C supports, and it is now up to the Board of Selectmen and Town Manager to take action. Ms. Peters added that Mr. McCarthy did most of the work, and the S/C has gone as far as it can go, the S/C has provided prioritization for action, and it now up to the BoS to decide how and when to dispose of these properties. She then made a motion to disband the S/C, Mr. McCarthy seconded, and the vote was unanimous in favor.

Mr. Blackall suggested that it would be helpful to put together a summary report on the process and the result, all in one consolidated report. In response to questioning, he indicated that the Town Manager should do this as he was present at all the meetings and provided support. The report should be presented to the FPC. Mr. Lemnios agreed, provided Dr. Atherton will provide him copies of all the Minutes. Dr. Atherton agreed to do so.

Dr. Tyrell mentioned that the School Committee has agreed to release the Spring Street property and as soon as the Minutes are available, she will notify the Town Manager.

Mr. Sestito stated he had read the Minutes of the last meeting and was wondering if the FPC has completed its mission – is it still being effective, do we want to consider having an intermission, or possibly disbanding the FPC? He also indicated there was some concern in the Advisory Board (AB) that there was some overlap in responsibility. He indicated he doesn't agree with that, but others on the FPC and/or AB may disagree, and we should discuss this. Mr. Kenney opined that there could be. He believes it is really up to us (on the FPC) whether we do or not get into their purview. Mr. Blackall asked if there is a particular concern /issue that the AB is concerned about? Mr. Kenney commented that it is the AB's job to review the budget with the Town Manager (TM) and last year we did (on the FPC) get into detail on the budget with the TM. Mr. Sestito added that after we did that we came up with other possible ways we could plan for the financial future including the Sale of Town Owned Property S/C, the Fee S/C, and the report on the budget authored by Mr. Blackall, but perhaps we are at a point now where we may not be effective.

Mr. Kenney asked if we had addressed the list of priorities we had come up with? The answer was no, and so he posited that perhaps the FPC should revisit that list and decide whether we can accomplish something by looking at these and taking some action? He added if not, we should disband. A member of the audience commented that the FPC has only just started and is on item 4 or 5 and there are many more to go. The FPC should be focused on long term financial concerns while the AB is focused on next year's budget. Mr. Sestito agreed and suggested maybe the FPC should reconsider our main goals/objectives. Dr. Atherton asked Mr. Lemnios – he had met with the AB and the FPC – do they serve different purposes, are they helping you with different parts of managing this financial situation, or are they duplicating efforts? He responded that there is some cross-over. The AB under Chapter 8 is to review the budget on a line by line basis. The first FPC started with an objective of reaching a consensus estimate of revenues and expenditures under a whole set of different scenarios –the focus being whether to ask for a debt exclusion or an override. It was deemed to be helpful to have representatives of the BoS, the AB, the SC represented during these discussions. The second FPC (the current one), did some of that at the beginning, but then shifted to coming up with a list of priority items that could affect the financial picture by either reducing costs or adding to revenues in the future, but were not specifically focused on budget development. There is value to the FPC looking at the broader issues.

Mr. Lemnios commented that it might be helpful if the three – BoS, Ab, and the FPC - could get together and agree on what each is to do, so there will be no overlap. Mr. Sestito suggested we take it back to the BoS for guidance. Mr. Kenney added that he thought it was worthwhile last year as it helped the AB get information and some issues resolved more quickly than would have happened without the FPC. He stated that the FPC got into the numbers quickly and speeded up the process for the AB. Mr. Lemnios opined that it might be worthwhile to look at the goals and objectives for the FPC and see what progress has been made and determine what a reasonable set of goals and objectives for next year might be and send those back to the BoS for their guidance. Mr. Minelli commented that perhaps it would make sense to revisit the goals and priorities to determine if things have changed over time and set a date certain to reevaluate this committee and whether it should be continued. A timeline will keep thing focused on the goals no matter who is on the committee. Mr. Sestito added we now have next meeting's agenda – goals and priorities.

Dr. Atherton suggested another item to be discussed – the subject Mr. Ryder brought up at the last meeting and was backed up by Mr. Blackall – whether the sub-committee structure was not being helpful to the governing of the Town? There is debate at the S/C level, then a similar debate at the FPC, and then further similar debate at the BoS. Mr. Ryder and Mr. Blackall seemed to believe we are spending a great deal of time accomplishing a small set of contributions and considerably delaying governmental decision-making. Mr. Sestito stated we can add that to the agenda.

Mr. Sestito called on Mr. Lemnios to discuss the budget schedule (copy attached). He pointed out that this is a fairly generic

budget and Town Meeting schedule. The impact of State questions 1 and 3 will have serious potential impacts on State aid, but we will know more after the elections. The upcoming BoS meeting will have a presentation by the Assessor's Office and discussion of residential exemption, the latter won't have a direct impact as it would only shift the sources of revenues around, but it might impact budget development. The third issue is whether the BoS will want to raise property taxes. He indicated he would have some budget scenarios by November 30<sup>th</sup> and we can use those as guidance for budget development.

In response to questions, Mr. Lemnios stated that for FY 12, he was assuming level State aid, level-funded receipts, and our free cash will be about \$1 million of which he plans to put \$500,000 into the budget and \$500,000 aside and banking that for FY 13. Further, he expects a 12% increase in health insurance, a \$125,000 snow deficit, and a 4.5% in retirement expense growth. Dr. Atherton asked what role can the FPC play in this and Mr. Lemnios responded – none at all. He indicated that the FPC should be looking at the priorities – what do we want to do next strategically – how to get more revenues out of parking; things that would reduce outlays or increase revenues in future years. Dr. Atherton asked what about the report that we did last year, the FPC Report to the BoS? Mr. Sestito stated we can deal with that at the next meeting.

Mr. McCarthy stated we talked at the last meeting about the Fee S/C and that it is six months behind schedule and perhaps the S/C structure didn't work. Mr. McCarthy stated that in the case of the Sale of Town Owned Property S/C it did work, but if, as Mr. Ryder claimed, this information was available then it should have been brought forward, and we could move forward to other priorities. Mr. Sestito stated he would add this to the agenda. Mr. McCarthy further commented that he was very pleased that Dr. Tyrell was given a raise and he wants her to stay in Hull at least until his son graduates.

Mr. Blackall indicated this was his last FPC meeting as he has been asked by the BoS to serve on the DCR land Leasing Committee. Mr. Sestito announced he had just received a letter of resignation from Mr. McCarthy. He thanked them both for their time and effort.

A motion to adjourn was made by Mr. Kenney, seconded by Mr. McCarthy, vote unanimous in favor. Meeting ended at 6:55 P.M.

Respectfully submitted: Roger Atherton, Clerk

Note: There was no date set for a future meeting.