

TOWN OF HULL
ADVISORY BOARD MINUTES
APPROVED

Date of Meeting: 10-16-06 Meeting Start: 7:30 PM Meeting Adjourned: 9:50 PM

Attendance:

Member	Present	Absent	Others Attending
Charleen Tyson	x		Chris McCabe
Joan Senatore	x		Joan Meschino @ 9 pm
Dennis Zaia	x		
Charlie Ryder	x		
Jim Tobin	x		
Martin Silverman		x	
Joan Cellini	x		
Jim O'Brien	x		
David Clinton	x		

Agenda Items:

- **Approval of Minutes (September 25)**
- **Town Manager update**
- **Update – School Building Committee – Charlie Ryder & Jim Tobin**
- **Planning/Update on Budget Workshop – (10/23) – review agenda, update on discussion with Department Heads, review goals & objectives prepared at Summer Workshop & tie to budget goals (letter inviting BOS & School Committee sent)**
- **General Updates**
 - **Update on audit committee meeting**
 - **State of Town Meeting (letter sent to BOS)**
 - **Retirement Board (date?)**
 - **Hull Light Plant (invite new manager)**
 - **Sewer (when would you like to schedule this?)**
 - **implementation of new GASB (post-retirement benefits) – Marcia Bohinc will discuss this topic at a meeting in the fall (November?)**
- **Other business/agenda for next meeting -**

Motion: To accept minutes of September 25, 2006

Vote:

Member	Made by	Seconded by	In Favor	In Opposition	Abstained
Charleen Tyson			x		
Joan Senatore			x		
Dennis Zaia			x		
Charlie Ryder	x		x		
Jim Tobin			x		
Martin Silverman					
Joan Cellini		x	x		
Jim O'Brien			x		
David Clinton			x		

Comments:

Meeting Time:

Beginning the week of November 6th we will begin our meetings at 7:00 PM.

Dennis will communicate this to Nancy Allen, Maggie for the town web site, the Hull Times, The Patriot Ledger.

Motion: Request to transfer from the reserve fund, \$20,000 to pay for Unexpected Veterans Service Benefits.

Vote: Unanimous

Member	Made by	Seconded by	In Favor	In Opposition	Abstained
Charleen Tyson			x		
Joan Senatore			x		
Dennis Zaia			x		
Charlie Ryder		x	x		
Jim Tobin			x		
Martin Silverman			absent		
Joan Cellini			x		
Jim O'Brien	x		x		
David Clinton			x		

Veterans Benefits: This is not the issue that was brought up during our last STM. These are benefits that residents did not even know that they were eligible for. The state will reimburse the town 75% of these funds via the cherry sheet in the next fiscal year. These are not retroactive payments. Veterans who are less than 100% disabled get their money from the Federal Government. The Mass. Veterans Services approves all benefits.

School Building Committee: the Jacobs School is now on schedule and may become ahead of schedule. We have had to create a change order without the contractor having to pay a penalty since they are moving along so well. The school will have a web cam so that citizens will be able to watch the progress of the construction. There may be some outstanding issues about the cost and payment of police details during the preliminary phase of this construction project. Moving forward this is now under control. No resolution as to who will pay for the HS auditorium but the auditorium will be ready for the kids to do their show. The roof situation is still in play. A third party is advising the town in regards to how to deal with this issue and their report will come prior to the SBC next meeting.

Audit Committee Meeting: Marcia B, Chris Mc, Ron D, Maria H, Charleen T and the auditors. This year's (2005) management letter is much improved over past management letters. All issues are already cleared up. This allowed the process to move along more easily and the 2006 audit and letter will be ready sooner than in past years. Marcia B along with the new Town Accountant will be the point person between the Advisory Board and the audit.

Budget Workshop:

Televised live-

Meeting with Department Heads presented the 5 year revenue forecast DRAFT. They asked lots of questions and they were clearly aware that there is not a lot of room for increased expenses. They recognize that there are lots of issues to deal with and they will need to respond to budget requests by mid November. Marcia will have free cash certified by end of December. This will be an enormous boon to having an accurate budget.

Key Message can be delivered using this basic DRAFT.

5 categories of revenue.

New growth/tax levy is slowing down, this is the 2.5% allowable increase. It is not going to continue at the same level in the past. New growth and Debt Exclusion will be identified.

State Aid is the cherry sheet....several categories of state aid, it was increased 4.5% over previous year. We are projecting a continued modest growth over the next years.

Local Receipts includes motor vehicle excise tax, ambulance, Medicaid special ed reimbursements—the factor used was \$50k per year. (We have to be sure that the dollars added in here are reoccurring receipts and not one time items).

Free Cash- revenues that are available for expending in the next fiscal year. This would be the profit in a company. When you have a lot of free cash you are underestimated revenues. We are trying to reduce our free cash each year.

Stabilization Fund-money goes into this fund via town meeting by a conscious vote of the town. In years past there was a line item that dedicated money to the stabilization fund rather than lower the tax rate and this money was being saved for a rainy day, and the rainy day was the Memorial School debt service building projects.

Interest earned stays in this fund

Other-This includes the overlay surplus, which is the money that we have left after all revenues are confirmed and we end up with more money than we project for expenses. This money goes into the overlay surplus account and allows for some flexibility in the managing of the budget.

5categories of expenses

Debt Service- we have a \$500k drop for next year ('08)because we got killed this year in debt service. This will be affected by the reimbursements we get from the state for the school projects. By November 1st the actual numbers will be easier to define.

Expenses/Assessments- this is composed of the day to day expenses for running the town. This is what the department heads will have to work with. This is level services budgeting.

The message to be delivered is to allow folks to understand that we have financial challenges and there will be opportunities to improve how we manage our expenses. Key message is to illuminate the increased deficit in FY09.

The Advisory Board will have questions that will be presented to encourage further discussion: Possible Questions might be-----

How will we anticipate dealing with these upcoming deficits? What options do we have to deal with these deficits?

Is there a way to roll all our debt into a single number that will help to balance the budget for future years?

How can we get all members of the town financial community to work from the same page by committing to a 5 year plan for managing their budgets?

How will we handle the increases in health insurance and pension expenses?

Retirement Board Meeting

Charlie Ryder attended this meeting.

General info:

4 classes of employee are identified

#2 & #4 classes have some risk and have a higher rate

The last 3 years of wages determine the amount of the final pension awarded

Report is done every 2 years.

The Retirement Board assumes a conservative return on investments of 7.75%, and they assume salary increases of 4.75% and based upon these assumptions they can determine the amount it will cost us to cover the pensions.

For the next year our contribution for 2008 will be \$2.75M. We have to make up about \$6M to make up some of the deficiencies in our investments. We are now in PRIT fund.

GASB (post-retirement benefits) & Health Insurance

These expenses will have a dramatic impact upon our budget planning, GASB starting in 2009.

Respectfully submitted;

Dennis Zaia

Secretary/Clerk

Next Meetings: 7:00 PM in Selectmen's Meeting Room-October 23 (**Budget Workshop at 7:30 PM**), November 6, November 20, December 4, December 18, January 8, January 22 (budget due).