

Minutes
Town of Lexington Appropriation Committee
January 5, 2006

Members Present: A. Levine (Chair), D. Brown (Vice Chair), J. Bartenstein, R. Cole, P. Hamburger, P. Hoffman, D. Kanter, R. Eurich.

Additional attendees: M. Young (Town Budget officer); H. Cohen (School Committee); Bob Bicknell, Betsey Weiss, Marilyn Fenollosa (“CPA for Lexington”); G. Burnell

The meeting was called to order at 7:36 PM by Al Levine in Town Office Bldg. Rm. G15.

1. P. Hamburger volunteered to take minutes.
2. A. Levine made the following announcements:
 - a. A. Levine and J. Bartenstein will attend Jan. 7, 2006 meeting with finance committee members from four other towns.
 - b. Eph Weiss wants to meet with the AC to discuss his warrant article for an Energy Committee. The AC agreed that while this was not really a financial issue, we would take a time-limited meeting with Mr. Weiss on this subject. It was pointed out that it would be reviewed in the TMMA information meetings.
 - c. Paul Chernick wants to meet with the AC to discuss the \$150,000 warrant article for a study of a municipal electric utility. It was agreed we should do that. A. Levine will set it up.
 - d. The town will hold three seminars on “Productive Meetings” on Tuesday Jan. 17, Wednesday Jan. 18, and Tuesday Jan. 24. AC attendance is optional.
3. The three members from the CPA advocacy committee made a presentation using Powerpoint slides (available on the web at www.cpaforlexington.org—click on “CPA basics” then “View CPA Presentation”). The following notes attempt to capture the answers to questions asked by members of the committee and to capture additions stated by the presenters not on the slides, but not to reproduce the presentation except for clarification.
 - a. Funds can be banked or spent.
 - b. Repeal is possible after 5 years.
 - c. The percentage (3% in the March vote) can be reduced to an arbitrarily small percentage, e.g., 0.01%, in any year after passage. To effect either a

repeal or a reduction in the surcharge, Town Meeting must vote to put it on the ballot for the next regular election and the Town must vote to approve the repeal/reduction.

- d. There are no penalties built into the State statute governing CPA.
- e. CPA committees use DOR guidelines in selecting projects.
- f. (J. Bartenstein) Ten Lexington taxpayers can bring a court action to challenge any expenditure not in compliance with the law.
- g. October 2007 State matching funds can be appropriated in the April 2007 Town Meeting.
- h. If it is passed this March, we think CPA billing is expected to appear in the first tax bill of the fiscal year 2007 (due August 1, 2006). M. Young agreed to verify this.
- i. Borrowing may only be done against locally collected dollars or dollars previously collected from the State. That is, the Town cannot use State matching funds for service of debt issued previously for a project that hadn't first been approved by Town Meeting as a CPA project.
- j. The 3% surcharge is a surtax, i.e., it is assessed each year as a percentage of the current tax levy after exemptions.
- k. This past fall Waltham, Weymouth and Northampton were added to the list of 100 cities and towns that have already approved CPA (see presentation for list). Concord passed it in November, but was able to push it back to be effective in July 2005.
- l. The presentation shows percentage match assuming 12 cities/towns are added each year. If there are only 10, the percentages are 62% and 44% respectively after 2 years at 100% in both cases.
- m. J. Bartenstein pointed out that the revenue stream that generates the State matching funds could dwindle if the housing market cools off or possibly for other reasons. Such a change is not included in the extrapolations of the presentation.
- n. Acton passed a \$6.4M capital override and operating overrides for \$3M and \$3.8M after passing CPA. Wellesley passed a \$2.9M operating override, failed a \$38M debt exclusion, passed a pared-down \$26M debt exclusion, and passed the lower tier of a two-tier operating override for \$2.6M. (The upper tier was \$3.8M.)

- o. Of 50 cities and towns which passed CPA, 78% passed subsequent overrides. Of those in which the CPA failed to pass (don't have number of towns), 71.3% passed subsequent overrides. This information was given by Bob Bicknell who said he didn't see any particular significance in this data with regard to the effect of having passed CPA on subsequent overrides.
- p. All the Lexington projects listed have been vetted by Town Counsel and they adhere to the guidelines suggested by the State-wide Community Preservation Coalition.
- q. Cary Hall is not included in the plan, but could be eligible depending on the nature of proposed project (i.e., because the building is historic, rehabilitation/renovations or capital improvements might be eligible; general maintenance would not be eligible). The East Lexington Library, East Lexington Fire Station, Cary Memorial Library, and Cary Hall are all CPA-eligible as well, but do not have any projects on the 5 Year Capital Plan at this time so they were not included in the list the committee presented. [Note: The projects on the list of eligible historic preservation projects came from the 5-Year Preliminary Capital Plan which was given to the committee by the Town Manager in Dec. 2005.]
- r. Both fire stations are over 50 years old and could be eligible for CPA funds if found to meet the definition of "historic resources" (determined by the local historic preservation commission to be significant in the history, archeology, architecture or culture of a city or town). All the other buildings listed are listed in Lexington's Comprehensive Cultural Resources Survey (the "Inventory") and would be eligible for CPA funding.
- s. George Burnell and others offered the following: (1) HDC only has jurisdiction over building exteriors and parts that are original. (2) HDC has authority over all buildings in the historic district and in the historic register. (3) The Historic Commission can ask for a 90-day delay in demolition for a building over 50 years old that is listed in the Inventory and then must try to work with the owners to save the building.
- t. The Police station is eligible for CPA funds because it is listed on the Inventory and is therefore considered a historic resource. The CEC report is said to state what part is eligible. Rehabilitation or renovation of the historic structure, capital improvements, and modifications for handicapped accessibility would all be eligible expenses.
- u. Paul Hamburger asked if the LEXHAB request would be an addition to the current requests and operation or a replacement. There was no answer to that at the meeting.

- v. The Town Counsel was not comfortable with including playground safety improvements and lighting although other towns have done it. Safety is important to recreation.
 - w. There are 680 acres of open land in Lexington that do not have protection by designation, e.g., as conservation land. The Lexington Comprehensive Plan suggests one-third of that should be acquired by the town.
 - x. Towns opting for 3% CPA assessment get the highest priority on matching funds if there are insufficient funds for a 100% match.
 - y. Al Levine raised a question on multifamily houses. It was suggested that one tax bill would generate one assessment. CPA would not directly tax those renting in Lexington; only those who own property.
 - z. Since the rebates suggested in the presentation must be claimed and are not automatically generated, the experience in other towns is that 5% of those available are actually claimed. The CPA advocacy committee stated that they wanted to simplify forms as much as possible to make it easier to claim a refund.
 - aa. Cpaforlexington.org is the website of the CPA advocacy committee.
 - bb. A question was asked whether interest earned by the CPA fund would go back into the fund. Michael Young suggested that would be expected but he would check to be sure. *[Subsequently reported: Section 7 of the enabling statute states that "the treasurer may deposit or invest the proceeds of the fund...and any income therefrom shall be credited to the fund."]*
 - cc. David Kanter suggested the advocacy committee be proactive in endorsing the time line which includes getting ready in advance of the vote so if the voters approve CPA, projects could be presented at this year's Annual Town Meeting for funding by the Town's FY2007 CPA funds.
4. At a suggestion from Al Levine, the AC discussed whether, and if so how, it should move forward on this issue.
- a. Paul Hamburger suggested that we should (1) identify that portion of proposed CPA projects which would be done under the capital plan; (2) compare the cost of doing them under the capital plan vs. the entire cost of CPA. This would determine the amount saved. It was generally agreed that "unvarnished impact" would best describe what we want. It was agreed that Paul should write up a starter strawman and that Al would work on the result of that with the objective of coming to the AC meeting on January 19 with a documented proposal of what to do. The AC agreed that the "position" might not be stated, rather that the AC would present a

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financial comparison with assumptions and let the audience come to its own conclusion. We should have preliminary distributions before the meeting so all can come prepared to discuss. Our objective would be to have a final version of something for two weeks later. Distribution is to be determined, but the idea is probably to distribute to the TMMA list, possibly to put something in the Library, the Minuteman, and perhaps on the Town and/or TMMA website.

- b. It was suggested that we validate the facts of the presentation given to us by the advocacy committee, being careful not to validate the presentation itself.

5. Budgets: Michael Young supplied the following information:

- a. He handed out School Budgets and School Enrollment projections. If soft copy is desired, someone should contact Ann Giombetti. It was pointed out by Helen Cohen that the School Committee had not yet approved this budget so it is subject to change.
- b. On January 18 there will be a Town Manager Budget including the data from the school budget just handed out. This will start the process of balancing the budget. The packets are expected to include the following:
 - i. Program Summary—Level-Service and Needs-Based
 - ii. School
 - iii. Yellow pages—mirrors line items and object codes
 - iv. Base & Needs-Based—Municipal
 - v. Capital—Municipal
 - vi. Where we stand—expectation vs. reality
- c. A question was asked about the \$2M free-cash allocation to the revenues. Michael says this is part of the revenue model.

The meeting was adjourned at 10:30 PM.

PAUL HAMBURGER

Approved February 2, 2006