

Budget Collaboration Group III
January 26, 2005

The four committees convened the meeting at 6:30 p.m. Mrs. McKenna called the meeting of the Board of Selectmen to order. Mrs. Krieger, Mr. Kennedy, Mr. Kelley and Mr. Pagett were present. Mr. Griffiths called the meeting of the School Committee to order. George Burnell called the meeting of the Capital Expenditures Committee to order. The Appropriation Committee did not have a quorum. It will be called to order once they have a quorum in attendance.

Ms. Vine distributed copies of the press release she issued regarding Moody's affirmation of Lexington's AAA Rating.

The four committees met in joint collaboration to try to resolve the gap in the budget. Mrs. McKenna reviewed the steps municipal departments have taken since the last collaboration meeting. Mr. Griffiths did the same for the School Committee; the amount of the currently voted School Department Budget is \$70,120,468.

Alan Levine called the meeting of the Appropriation Committee to order.

John Ryan reviewed the Pro Forma. The gap between expenses and revenue is currently projected to be \$1,800,463.

Mrs. McKenna reviewed the policies we needed to discuss to decide how to close the gap.

The first issue was whether we will release funds from prior years overlay accounts. Mr. Ryan estimates \$425,000 will be available for this purpose.

Other policies discussed were whether to use money from either the Stabilization Fund or from the contribution expected for the Stabilization Fund; whether or not to use Free Cash to increase new growth estimates; to bond Cash Capital and use tax levy dollars; to put an override question to the voters; and what level of reductions to make in Service Requests.

The group agreed that the appropriate process was to ask for a sense of the three Boards would be taken on each of the policy issues. Then Selectmen then would actually vote which policies to adopt.

Upon motion duly made and seconded, it was voted 4 – 1 (Kelley) to use \$425,000 from prior year overlay accounts.

Upon motion duly made and seconded, it was voted not to bond Cash Capital.

Mrs. Krieger made a motion to use \$400,000 of Free Cash. The motion was not seconded.

Upon motion duly made and seconded, it was voted not to use free cash.

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Upon motion duly made and seconded, it was voted not to use any of the \$500,000 slated to go into the Stabilization Fund.

Upon motion duly made and seconded, it was voted not to increase new growth estimates.

After the votes of the Selectmen the gap sits at \$1,375,493. Next a discussion regarding whether or not to put an override question out took place. It was decided by the Selectmen that it was premature to vote on this policy. Mrs. McKenna suggested that the Interim School Superintendent and the Acting Town Manager work together to try to propose a combination of revenue enhancements and expense reductions to close the remaining gap.

Mr. Pagett proposed that we allocate the split of that deficit in proportion to the size of the respected budgets \$70 million schools, \$27 million municipal. After much discussion it was agreed not to predetermine a split but to allow the two executives to work cooperatively and resolve the gap.

Ms. Vine will call a Budget Process Group Meeting for later next week to report on the progress Mr. Hurley and Ms. Vine make.

The week of February 7th, the School Committee and the Board of Selectmen are expected to vote their budgets. There will also be a collaboration meeting to resolve the remaining gap issues between the four boards.

Mrs. McKenna asked the Boards to think about whether we should be looking at this year as a year to provide further structural balance by increasing the Snow and Ice Budget. Mrs. Brown, Appropriation Committee, described a scenario where we have already improved structural balance in the FY06 budget process and that were we to consider an operating override in FY07, that might be a good year to take a hard look at the Snow and Ice Budget.

At approximately 8:45 p.m. the Collaboration Meeting ended. The Appropriation Committee adjourned their meeting. The School Committee remained in Open Session and proceeded to a different room to continue its meeting. The Capital Expenditures Committee remained with the Board of Selectmen.

The Board of Selectmen had a discussion on proposed Capital items. The purpose of the discussion was to determine which capital items would be included in the warrant.

Mr. Burnell continued the discussion from the last meeting about the Capital Expenditures Committee's concern that there had been a practice under the prior Town Manager to use money approved for specific capital projects to fund miscellaneous maintenance and supplement prior year projects and not use the funds for the project Town Meeting voted. Mr. Burnell urged that going forward only capital items be included in capital articles and that some of the items currently in the building envelope program more appropriately belong as maintenance items with the operating budget.

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As a result of this discussion it was agreed that the building envelope program will only include FY06 capital requests; funds that were in fact prior year capital projects would be listed in the warrant as supplemental requests for prior years authorized projects; those items which are really FY05 maintenance items would be requested under Article 35 which is supplementary appropriation for the current fiscal years operations; and that items under \$25,000 would be included in the DPW FY06 Operating Budget.

Mrs. Krieger expressed concern about finding the money to pay for these items. Mr. Burnell suggested the Capital Expenditures Committee might be willing to use projected cash capital dollars to facilitate funding these items appropriately.

Based on a presentation by Mr. Hadley the DPW equipment request was reduced to \$483,500. The traffic improvement request was reduced to \$97,000 as the Board of Selectmen was only interested in funding the upgrade of signals at Lowell and Maple Street at the request of the School Committee as well as an upgrade of the signals at Concord Road and Waltham Street. Mr. Kelley asked whether there were funds available from the Avalon Bay project approved in the 2004 Town Meeting for traffic mitigation at Concord Road and Waltham Street. This issue will be investigated.

Mr. Chalpin discussed the methodology for determining the \$800,000 being requested to fund the design of the new DPW facility. Mr. Burnell indicated the Capital Expenditures Committee felt this request could be reduced. Mr. Kelley believes that we should lower the request substantially and only commit to funding for schematic design and initial design development. He believes this will give us a good cost estimate. Mr. Chalpin believes that we should fund the project to construction documents but that they will only spend as much is needed to get the information necessary for the voters to make an informed decision regarding a debt exclusion. Mr. Burnell reminded everyone regardless of the number we put forth it could all be exempted as part of a debt exclusion vote. At the recommendation of the Capital Expenditures Committee. The Selectmen agreed to request \$720,000 in the warrant for this project.

Appointments Resignations

Upon motion duly made it was voted to appoint Gant Redmon to the Lexington Center Committee to fill an unexpired term ending September 30, 2006.

Upon motion duly made, it was voted to appoint Elisabeth Harvey to the Lexington Center Committee to fill an unexpired term ending September 30, 2006.

Upon motion duly made, it was voted to accept the resignation of James Fearnside from the Noise Advisory Committee, effective immediately.

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Vote to Sign Warrant

Upon motion duly made and seconded, it was voted to sign the Warrant, including the operating and capital changes discussed this evening.

Upon motion duly made and seconded, it was voted to adjourn at 10:20 p.m. The Capital Expenditures Committee remained in open session.

A true record, Attest:

Dawn E. McKenna
Chairman

