

Lexington Appropriation Committee  
Minutes of the Meeting January 27, 2005

Location: Civil Room, Cary Hall, Lexington MA

Members present: Paul Hamburger (Acting Chair), Rick Eurich, David Kanter, Rod Cole, John Bartenstein, Eric Michelson, Al Levine, & Ron Pawliczek

Also present: Richard Pagett & George Burnell

Paul Hamburger called the meeting to order at 7:45 PM.

1. Minutes of the January 13, 2005 meeting were accepted unanimously.
2. Minutes of the January 20, 2005 meeting were accepted unanimously (Al Levine abstaining).
3. Discussion of the Budget Collaboration Meeting (BCM) of January 26, 2005 with consideration of the position of the Appropriation Committee (AC) on gap closing. At the BCM it was reported that the gap was \$1,800K. Eric Michelson reported that the gap will be approximately \$33K higher in that Lexington's share of the Minuteman Tech budget is higher than what is currently in the Town Manager's Budget.

At the BCM, the Board of Selectmen (BOS) voted 4 to 1 to apply a total of \$425K from the Overlay Accounts for FYs 2000 and 2002 to reduce the gap to \$1,375K. It was stated that at the end of FY04, \$285K from the FY 1999 Overlay Account had been transferred to Free Cash. Some members questioned whether this current, excess, overlay amount should be treated the same way in that this type of procedure increases Free Cash and as a consequence increases the town's reserve balance. Other members felt that, most likely, this year there will not be an override for FY06 and the use of this \$425K is essential for the maintenance of services approved by the voters last spring. It was decided that at this time the AC would not take a position. Rather the members will wait and see the proposed cuts to be recommended at the next BCM before taking an AC position.

It was also decided to take a wait-and-see position on:

- a. The use of Free Cash to close the gap,
- b. The use of BANs instead of cash for the purchase of computers (\$350K) by the School Department and an ambulance (\$165K) by the Town,
- c. Transfer of the \$500K from the NESWC Fund into the Stabilization Fund, and
- d. An override for FY06.

The AC did unanimously agree with the BOS position to leave the Growth amount in the FY06 budget at \$1,000K.

Although not voted upon, there was general agreement that any adjustment to the Snow-and-Ice appropriation be made in an override year.

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4. It was agreed that the AC will request from the Town Moderator that time be set aside during the regular Town Meeting for a budget-information session.
5. Paul Hamburger and Eric Michelson will attend the next Budget Process Meeting.
6. George Burnell reported on the progress of the Capital Expenditures Committee (CEC) for the FY06 budget. They are proposing that \$2,745K of projects be funded and BANs be the source of financing. (Debt principal repayments of \$2,760K are in the FY06 budget.) In addition, the FY06 budget has \$713K allocated for cash capital. Projects totaling \$143K submitted by DPW as capital but viewed by the CEC as operating will be reclassified as operating and will be funded from the \$713K. This leave \$570K for capital projects to be paid from the tax levy. The complete list of CEC recommended projects is available from the CEC.
7. John Bartenstein and Deborah Brown met with town representatives and the auditors on issues relating to the Water and Sewer Enterprise Funds. The auditors reported that most likely \$3,000K of accounts receivable will need to be written off. At that meeting, the AC members requested that the audit also address under-billing and potential non-billing.

The meeting was adjourned at 10:15 PM.

Respectfully submitted,

Ron Pawliczek  
Acting Secretary

*Approved February 16, 2005*