

**Minutes
Town of Lexington Appropriation Committee
February 1, 2007**

Place and time: Room 111, Town Office Building, 7:30 PM

Members present: Alan Levine (Chair), Deborah Brown (Vice-Chair), John Bartenstein (Secretary), Rod Cole, Rick Eurich, Pam Hoffman, David Kanter, Mike Kennealy, Eric Michelson, Rob Addelson (ex officio, non-voting)

The meeting was called to order at 7:40 PM.

David Kanter provided an update on the Schools' Financial Review Committee (SFRC) to which he is the liaison from our Committee. The SFRC is currently focused on the process for how purchases are made. David has asked for something in writing describing exactly the processes that the school department is seeking to implement, what has gone wrong previously, and whether these proposed new processes will fix the problems. He cited the example of "block encumbrances" where an order will be placed for large numbers of supplies to be filled over time but without detailed purchase orders. The school department's intention is to cease this practice, which is now unnecessary since requests for supplies can be filled within 24 hours. The school department's current intention is to say that all requisitions must be in by May 1, so they will then have May and June to figure out what has been used or not.

The SFRC discussed a proposed agenda for a meeting with Mary Ellen Dunn to take place on February 8. Topics proposed included:

1. Class size assumptions used in the proposed FY08 budget.
2. Special education – actual vs. budget since the fall town meeting, circuit breaker mechanism, assumptions used in the proposed FY08 budget.
3. Other FY08 budget assumptions - wages, salary differential, COLA, steps raises.
4. How the schools are performing against the FY07 budget.
5. How has the school department defined "level service" in developing the proposed FY08 budget.

David Kanter provided a report on a recent Capital Expenditures Committee (CEC) meeting. The CEC does not feel that the Community Preservation Committee has been rigorous enough in developing clear policies and priorities on how CPA funds should be allocated. An example he cited was the question of using CPA funds for a cash purchase of a potential, eligible, large land purchase or using CPA funds to pay the debt service if bonded, instead. Rob Addelson confirmed that CPA projects can be bonded. The CEC is also reviewing the proposed municipal capital budget and does not expect significant disagreements. The CEC will begin to discuss the school capital budget on February 8.

John Bartenstein reported that the Selectmen's Ad Hoc Tax Deferral and Exemption Study Committee is discussing possible changes in the property tax deferral provisions.

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An article will be presented to the Annual Town Meeting seeking approval of a Home Rule Petition that would allow Lexington to lower the age limits and increase the income eligibility thresholds for property tax deferrals.

The Committee then assigned the various items in the 2007 Town Meeting warrant to Committee members for the write-ups to be included in this year's Report to the Annual Town Meeting.

Pam Hoffman updated the committee on the status of the FY08 school budget. The School Committee will most likely vote in mid-March. Pam provided a breakdown of salaries and expenses that make up the difference between the FY08 and FY07 budget. Salary expenses include new positions for special education as well as recommended new teachers in order to maintain current class sizes and student-teacher ratios. Collective bargaining represents 46% of the proposed budget increase, which includes a _% increase built in at the end of the current contract with teachers, the cost of step raises and lane changes (which are required by contract, not discretionary) as well as a "good faith" amount for negotiations.

Alan Levine presented an analytical framework for evaluating proposed capital expenditures; the Committee agreed that it was a useful framework and suggested that Alan submit it to the groups that are evaluating the DPW proposal.

The meeting was adjourned at 10:10 PM.

Respectfully submitted,

Mike Kennealy

Approved June 21, 2007