

**Minutes**  
**Town of Lexington Appropriation Committee**  
**February 9, 2005**

Location: Cary Hall

Members present: Alan Levine (Chair), John Bartenstein, Deborah Brown, Rod Cole, Richard Eurich, Paul Hamburger, David Kanter, Ron Pawliczek

This meeting was held as part of a Budget Collaboration Group Meeting with the Board of Selectmen (BoS), School Committee (SC), and Capital Expenditures Committee (CEC). Town staff and citizens were also present.

Materials distributed (from the Town Manager and BoS):

- Meeting agenda
- List of options for closing the budget gap (dated Feb. 7, 2005)
- Preliminary budget projections (dated February 7, 2005)

Dawn McKenna (Chair, BoS) called the general meeting to order at 6:09 PM, and AL followed by calling the meeting of the Appropriation Committee to order.

Tom Griffiths (Chair, SC) thanked Acting School Superintendent Bill Hurley, Acting Town Manager Linda Vine, and staffs for their efforts and accomplishments in preparing the budget and gap-closing list. He also praised the collaborative efforts between the Town Manager and School Superintendent. Tom raised questions about the wisdom of the Tier III reductions.

Linda Vine noted that Acting Finance Director John Ryan did not raise objections to the Tier I revenue-estimate increases. Bill Hurley stated that not all the revenue enhancements are guaranteed to happen.

DB asked about the Special Education (SPED) Circuit Breaker reimbursements and how much of those amounts used in the gap closing will likely be recurring revenue. The answer, from Susan Bottan mostly, was that the SPED reimbursement rate is increasing and it is expected to permanently yield \$320K more per year.

RP noted that the CEC has stated that only \$50K of \$404K of School maintenance items should be categorized as capital expenditures, and asked whether this was factored into the budget. He was answered that this was not yet fully resolved. Olga Gutttag (SC) said that a consulting firm has been hired to review the items in the \$404K request.

Peter Kelley (BoS) asked why the FY06 SPED Circuit Breaker reduction wasn't \$350K instead of \$250K.

DK stated that the latest word on the Minuteman Regional High School assessment is \$887K, but that only \$856K is in the pro-forma budget. DK asked why the Tier 1 reduction of \$40K for the Water/Sewer analyst doesn't affect the non-enterprise expense budget.

Bill Hurley stated that if the School budget were to be reduced by the \$91K, as previously sketched, then he would need to go to the prioritized list of reductions. Tom Griffiths stated his preference that the \$91K be addressed by use of free cash or equivalent. Richard Pagett (BoS) preferred to see the \$91K come out of the School budget.

In response to a question from Tom Diaz (SC), Linda Vine noted that of \$900K in the Northeast Solid Waste Committee (NESWC) Tip Stabilization Fund, \$700K is already appropriated to the FY05 budget.

DB and PH spoke on projections of increases in free cash.

AL commented that visible reserves (i.e., free cash as it stands after Town Meeting and the total in the Stabilization Fund), are increasing by \$1.5M in the FY06 budget. The uncertainty in the revenue projection for FY06 is on the order of \$1M. AL stated that, given how far the budgeting has proceeded without using free cash, other means of balancing the budget might be used to avoid the proposed \$91K cut in the school budget. AL raised the possibility that if \$540K is being budgeted for street repair from the tax levy, that amount could be reduced to \$500K.

AL then suggested two possibilities for breaking the impasse between the SC and BoS on the \$91K:

- 1) take the \$91K from the School Budget with the agreement that any new revenue or expense reductions found before the vote on the operating budget at Town Meeting would be applied to restoring the \$91K to the School budget; or
- 2) reduce the School budget by \$51K and the cash capital budget by \$40K (streets).

The idea of using cash capital did not receive widespread support and the Budget Officer and CEC indicated it was unclear that the proposed capital budget would include the \$40K in any event.

There was general discussion of alternatives for eliminating the \$91K budget gap, including reducing the School budget in line with AL's suggestion no. 1 above, or by applying free cash or equivalent. PH stated that he would like to see both the municipal and school administrations continue to look for savings in their respective budgets.

The joint meeting recessed to allow each board/committee to caucus on its own. During its caucus, this Committee discussed how to eliminate the \$91K gap, and a vote was taken on two possibilities:

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- 1) Reduce the School Budget by \$91K with a commitment to try to find revenue or other means of restoring the reduction before Town Meeting (four votes in favor); and
- 2) Eliminate the \$91K gap by reducing the appropriation to the Stabilization Fund by \$91K (four votes in favor). .

The joint meeting reconvened. AL reported the votes of this Committee to the larger group.

After further discussion, the SC voted (3-2) to accept the first option for closing the gap, and the BoS voted (4-1) to recommend the resulting balanced budget to Town Meeting.

The meeting was adjourned at 9:50 PM.

Respectfully submitted,

Alan Levine, Acting Secretary

*Approved June 22, 2005*