

Minutes
Town of Lexington Appropriation Committee
February 23, 2006

Members Present: Al Levine (Chair), Deborah Brown (Vice Chair), John Bartenstein, Rod Cole, Paul Hamburger, Pam Hoffman, David Kanter, Eric Michelson.

Additional Attendees: Roger Borghesani (Capital Expenditures Committee), Andy Friedlich (TMMA Executive Committee), Tom Griffiths (School Committee), Olga Guttag (School Committee), Richard Pagett (Board of Selectmen), John Rosenberg, Edith Sandy, Frank Sandy, Shirley Stolz (Capital Expenditures Committee), Carl Valente (Town Manager), Michael Young (Town Budget officer).

The meeting was called to order at 7:35 PM by Al Levine in Town Office Bldg. Rm. G15.

1. Paul volunteered to take minutes.
2. The Appropriation Committee discussed the Community Preservation Act (CPA) insert in the *Lexington Minuteman* which wrongly stated that the Committee supported CPA and misprinted a website address. It was agreed that we should ask for a boxed correction and ask for a reprint of the article, or if that was not possible a boxed correction.
3. The Chairman reminded us of three meetings:
 - a. Summit Wednesday March 1 at 7 pm in the High School Commons Room II
 - b. Summit overflow, if necessary, on March 2 at 7 PM at Cary Hall
 - c. Appropriation Committee Meeting on March 2 at 7:30 PM in room G15 (if not superseded by the Summit meeting)
4. The Committee was given a review of the most recent Selectmen's Ad Hoc Financial Policy Committee meeting by Appropriation-Committee attendees. The following potential policies were discussed at that meeting:
 - a. The town should try to go cash only for equipment renewal, roofs, maintenance, etc. There was pushback from the Town Manager and finance-committees attendees. There was not universal agreement on this.
 - b. There should not be ever-increasing debt, but the specifics of this are murky. It was acknowledged that it would be difficult, if not impossible, to make an immediate transition.
5. The Chairman opened the meeting to the public for discussion on the budget.
 - a. Al reviewed the 10 items on the discussion agenda. Paul introduced the question of making overrides last for two years without reducing reserves by including a question on money for reserves in the override.
 - b. Olga: Worried about economy and demoralization of staff by overrides every year. She said we are losing good teachers to other states where this instability does not exist or is less severe, although most Massachusetts cities and towns are experiencing similar problems to those in Lexington. She urged we offer a lower override than \$6.7M and give a decision to the voters.
 - c. David: All options should be available.

- d. Pam: Don't play games with the voters. We should wipe out the idea there is known hidden money to be rung out.
- e. Eric: Asking for money for reserves: Should give the voters a choice on this.
- f. David: We should have reserves both for smoothing overrides and for solving fiscal difficulties and unexpected disasters.
- g. Roger: History says taxpayers would rather have money in their own pocket. He questioned whether or not we are on the margin with Moody's regarding our Aaa rating and said we should tell the public what the answer is.
- h. Al: People get lost with the tiered concept.
- i. Tom: Tiers are not necessarily the proper presentation to voters. The three "tiers" in the Superintendent's budget were only meant to show options to the School Committee, and were not a proposal to do the override in tiers. There could be a separate question on maintenance.
- j. Olga: Social Services could be separated out.
- k. Al: Has a concern with what is on the override, particularly with one tier at \$5.2M.
- l. Richard: The Board of Selectmen will likely do what the School Committee proposes for the school portion of the override.
- m. Tom: Suggested combining municipal and school reserves.
- n. Roger: Giving voters what the cut list is going to be is more effective.
- o. Eric: We should provide services more efficiently by combining municipal and school services, where possible.
- p. John R.: Story telling is important. Asking people to pay cash for reserves is difficult. People voted already for Lexpress and the fire station: why are we coming back again? People think certain things were voted for and thus they are sacrosanct. But clearly they can't be, because if we make them so, eventually there will be no cut options.
- q. Deborah: Advocated annual overrides—transparent and simple. But she agreed mounting the campaign effort is difficult.
- r. John B.: Asked about the feasibility of an override with \$6.7M to fund Municipal and School needs plus \$1.5M more to be deposited in the Stabilization Fund with the aim of keeping the reserves at the end of FY08 level with the reserves now projected for the end of FY06—assuming a middle-of-the-road result in revenues above budget and the rest of the assumptions in Paul's presentation at the February 23, 2006 summit.
- s. John R.: Wants general question, not specific services. We need more discussion on commercial tax-base increases.
- t. Eric: How do you increase the commercial tax-base?
- u. Roger: Evolution, not revolution.
- v. Olga: Number of hours of labor necessary to sell override (in 2004) was painful; it was an override after a failed override.
- w. Al: Too many questions dilute the message of the importance of the highest-priority items.
- x. Eric: Cost of annual override makes him uneasy.
- y. John R.: There is not a choice to get rid of services such as Lexpress.
- z. Richard: At the upcoming summit meeting decisions have to be made about what is in the base and what is at risk on the override, but not the questions.

February 23, 2006

aa. Tom (for himself): The School Committee has to evaluate how we feel about the Superintendent's presentation regarding education.

bb. David: Let's make clear what funding is necessary to maintain last year's service levels, including mandated changes. We should standardize the nomenclature in the municipal and school parts of the budget/override lists.

The meeting was adjourned at 9:45 PM.

Respectfully submitted,

Paul Hamburger

Approved March 16, 2006