

Minutes
Town of Lexington Appropriation Committee
March 4, 2009

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

Members present: Alan Levine (Chair), John Bartenstein (Vice Chair), Richard Eurich, Pam Hoffman, Susan McLeish (Secretary), Eric Michelson, Glenn Parker, and Mollie Garberg

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

1. **2009 Budget.** Alan reported that he attended a meeting where a discussion of a projected school budget deficit of \$375,000 (it is now \$428,000 and likely to change by the end of the year) was discussed. Dr. Ash explained that a portion is due to legal services as they are more serious in screening SPED cases, there is a deficit related to substitute teachers and a surplus related to teachers. Short of layoffs there is not a lot the schools can do to avoid the shortfall.

Rob Addelson reported that the current estimate of what has been expended for snow and ice is \$1.5 million through this latest storm. The 2009 budget is \$650,000 and there is \$300,000 in next year's budget so there is a shortfall of \$550,000.

We discussed the strategy for handling the snow and ice deficit and that it does not legally need to be paid for this year whereas a school deficit does need to be covered. We also discussed using the SPED stabilization fund for that and the AC reserve and free cash for other potential problems that could come up. Pam mentioned that she attended a recent School Committee meeting and indicated that it was not certain that they would be seeking funding for the \$375,000 shortfall; they are looking for ways to save money in other areas.

2. **Future Meetings.** Tom Diaz of the School Committee would like to meet with us on March 10 to discuss the economic stimulus package (neither Mollie nor Pam are able to make that meeting). Ed Grant has also indicated that he would like to meet with the group to discuss the Beal proposal. Alan suggested that we meet with them in April subsequent to the issuance of our report.
3. **Report.** We discussed an approach for completing our report. Eric will draft and send the shell and others will send out articles as they draft them. We should shoot for a rough draft of a report by March 16. Pam and Mollie will conduct an editing session on Friday and Saturday March 20 and 21.
4. **Article 30.** Rob Addelson explained that the Town received reimbursement in August 2006 from the MA School Building Authority for approximately

\$14 million for Clarke, Diamond, and the High School. There was a note that came due for approximately \$11 million. The residual (exempt costs of the project) was set aside per the directive of the Department of Revenue and the balance was to be drawn down over the life of the High School bond (until 2023). A schedule was developed and the funds were set aside and have been in a Massachusetts Municipal Depository Trust. Per the advice of bond counsel and the DOR directive, the monies should be set aside in a separate stabilization fund and should be drawn out through appropriation. A request to appropriate \$130,000 out of the stabilization fund to offset debt service on the high school will be requested. The Article asks that the stabilization fund be created this year, that it be funded and that \$130,000 be taken out. A two thirds vote is required. The committee, by a vote of 8-0, voted in favor of the article.

4. Other Articles. We briefly discussed Article 27 in that Eric mentioned that he would circulate a write-up and a short discussion ensued. Regarding Article 35, the fee will be set in the coming weeks, we had a short discussion on retirement and OPEB as well as the municipal budget and that it is effectively a level service budget. John briefly explained Article 34 and tax relief.

The meeting was adjourned at 9:47 PM.

Respectfully submitted,

Susan McLeish

Approved July 6, 2009