

Minutes
Town of Lexington Appropriation Committee
March 8, 2007

Place and time: Town Office Building, Room 111, 7:30 p.m.

Members present: Al 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)

Also present: Charles Lamb (Capital Expenditures Committee); Tom Diaz and Tom Griffiths (School Committee); Bill Hartigan, School Facilities Director; Patrick Mehr

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

1. **Minutes.** Minutes of the meetings held on February 22, 2007 and March 1, 2007 were approved with minor changes.

2. **Reports from Staff and Members.** Rob Addelson reported that a preliminary version of the Brown Book (the “Beige Book”) would be distributed on line the following day, Friday, March 9, and that a limited number of hard copies would be available at the police station on Monday, March 12. This preliminary version would have the final recommended municipal budget and the school capital budget (with a few placeholders for items not yet finalized) but would not include the school operating budget. Within a few days after the school operating budget is voted, the final Brown Book will be published and distributed.

David Kanter reported on two meetings concerning the proposed new DPW facility: a February 27 meeting of the Permanent Building Committee (PBC) and a March 6 meeting of the Design Advisory Committee (DAC). The architects have prepared new drawings of the proposed building that are quite attractive. There do not appear to be any major impediments at this point to the continued progress of the project toward the 50% construction-documents design and cost estimates needed for Town Meeting. Alan reported that he had attended part of a PBC meeting held earlier in the evening. Most of the discussion was on energy issues, and there were no major new developments.

Pam Hoffman reported on the most recent School Committee meeting held on Tuesday, March 6. The School Department has pared the projected deficit for the same-service budget by \$558,604—a combination of some trimming (about \$1.13 million) and some essential additions (about \$0.58 million)—leaving a revised gap of about \$4.35 million. An “At Risk” list totaling about \$4.06 million has been provided to the School Committee. The current version of the budget has eliminated any contingency for SPED overruns (\$225,000 last year, and originally \$195,000 in this year’s budget) but the estimated increase in SPED costs is higher than last year’s. David Kanter distributed

copies of a School Department spreadsheet (“FY08 Budget Summary updated March 6, 2007”) with the supporting numbers.

Eric Michelson reported that Minuteman Tech had submitted a revised assessment of \$1,200,500, slightly lower than the previous figure of \$1,236,000.

2. Muzzey Architectural Study. Eric Michelson gave a brief presentation on an analysis he had made of the financial circumstances of the owners of units at the Muzzey condominiums. His study was done in an effort to evaluate the appropriateness of directing affordable housing funds under Community Preservation Act (CPA) to support the proposed architectural study, and the potential future renovations (fund source not specified), in view of income restrictions and resale price limitations contained in the deeds for the units. All of these units are considered affordable housing units. They were sold at sub-market prices and resale prices have been limited to a 5% annual increase from the original sale price. There are also restrictions, based on a formula contained in the deeds, on the maximum income of new buyers if the units are resold. It would appear that some of the current residents may fairly be described as financially needy and others may not. John Bartenstein suggested that if the goal is to target relief to the neediest families, one approach might be to see whether CPA funds can be used to create a cash fund and allow residents to apply based on financial need.

3. School Energy-Saving Capital Projects. The committee engaged in an extended discussion, lasting most of the remainder of the meeting, on proposals to supplement the School Department’s original capital spending budget with energy-saving projects for which the debt service could potentially be funded from anticipated savings.

Tom Griffiths provided the current thinking of the School Committee on this issue and handed out a spreadsheet he had prepared analyzing the payoff prospects for various proposed projects. He said that he was prepared to recommend to the School Committee “self-funding” from the School Department budget of four of the more promising energy-saving projects, as outlined on the second page of his handout. He was not, however, prepared to recommend funding replacement of the mechanical systems at Clarke Middle School on this basis because he feels that project primarily addresses an end-of-life situation and that its ability to deliver significant energy savings, if any, is dubious.

Alan Levine outlined a proposal that would permit the funding of the full \$3.695M in capital projects being considered by the school, as follows:

\$2,040,000	Town Manager’s original recommended budget
490,000	Self-fund 4 energy-saving projects
665,000	Self-fund parts of LHS and Clarke projects
<u>500,000</u>	Reduce proposed addition to stabilization fund by \$500,000
\$3,695,000	

Because the hour was late, further discussion of Alan’s proposal was deferred to the next meeting.

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4. **Miscellaneous.** Alan Levine announced that the next meeting of the committee would be held on Monday, March 12 at 7:30 p.m.

Michael Young distributed a copy of a letter the Town Manager would be sending to all Town Meeting Members describing the process for distributing the complete budget book and the reasons for delays. The plan is to have the complete FY 2008 Recommended Budget & Financing Plan (the “Brown Book”) printed and available for pickup on Friday, March 23, and to make continuous updates available via the Town’s website.

Rob Addelson reported on the status of discussions with the Assessors office and SLI Corporation about the potential taxability of the proposed Douglas House facility which will be seeking CPA funds at the Annual Town Meeting. It is still up in the air whether this facility would be subject to local taxation, but if it is not Rob had proposed, and SLI was amenable, to making the Town whole through a PILOT for any loss of taxes. David Kanter expressed his belief that there is a broader issue that should be addressed regarding the merits of using funds from the Town’s tax payers for projects which diminish the commercial tax base of the Town.

The meeting adjourned at approximately 11:00 p.m.

Respectfully submitted,

John Bartenstein
Rick Eurich

Approved March 12, 2007