

**Minutes
Town of Lexington Appropriation Committee
October 14, 2009**

Place and time: Ellen Stone Room, Cary Hall, 7:30 PM

Members present: Alan Levine (Chair), Glenn Parker (Vice Chair), John Bartenstein (Vice Chair and Secretary), Richard Eurich, Pam Hoffman, Susan McLeish, Eric Michelson, Rob Addelson (non-voting, *ex officio*).

The meeting was called to order at 7:43 PM.

Minutes. Minutes of the meetings held on the following dates were approved by a unanimous vote – September 25, 2008, September 25, 2008 Executive Session, November 6, 2008, November 10, 2008, November 10, 2008 Executive Session and October 1, 2009 Appropriation Committee meeting held at the Budget Summit Meeting. Minutes of the meeting held on October 8, 2009 were also discussed and it was decided that comments raised would be addressed and we would review another draft prior to recommending them for approval.

Collective Bargaining Agreement – Fire Department. Rob Addelson provided a handout entitled Memorandum of Understanding between Town of Lexington and Lexington Fire Department International Association of Fire Fighters, Local 1491. This document details amendments to the collective bargaining agreement which expired on June 30, 2007 that have been agreed to for the period July 1, 2007 through June 30, 2009. The Town and the Union went to arbitration over the contract and prior to making final presentations to the arbitrator reached an agreement as outlined in the memorandum. A discussion of the major points of the agreement ensued. This contract was the last of the older contracts to be resolved.

Memoranda of Understanding. Rob Addelson distributed draft Memoranda of Understanding for Cubist and for Patriot Partners covering traffic mitigation measures and other commitments these companies have made should their pending re-zoning requests be approved. Rob indicated that the agreements have been approved in concept by the Board of Selectmen. He indicated that the Planning Board was acting upon the memoranda at their meeting this evening and that, ultimately the agreements would go back to the Board of Selectmen for their signature. Rob indicated that he was providing the documents for information purposes and if we had questions, he would take them for consideration.

Miscellaneous. Glenn Parker will continue to be the Appropriation Committee liaison to the Capital Expenditures Committee. Alan will distribute an analysis of town spending for health care from 2002-2008 that was provided to the Ad Hoc Fiscal Task Force. One proposal was received in response to the RFP for the sale of the Munroe School and a team of people will meet to evaluate it including a representative from the Appropriation Committee – Alan and/or Susan, depending on the timing of the meeting.

Water and Sewer Rates. John also briefly discussed the presentation on proposed FY2010 water and sewer rates made at the last Board of Selectmen's meeting on Oct 5. The staff proposal calls for a modest reduction in the rates (-1.8% for water and -4.7% for sewer, for a combined reduction of -3.8%), notwithstanding that projected costs have increased over the previous year. John mentioned that the spring town meeting voted to appropriate retained earnings to subsidize the rates (\$525,000 from the water retained earnings and \$625,000 from the sewer retained earnings), presumably to avoid the need for rate increases. Retained earnings may be used either to subsidize rates or to fund capital projects, and the proposed subsidies would still leave more than adequate balances of about \$2,000,000 in each of the retained earnings accounts. However, John suggested to the Board of Selectmen that they use only so much of the spring town meeting appropriation as is necessary to avoid a rate increase and apply the balance to capital expenditures, which would lower future debt service costs and moderate required rate increases in the future. John's concern is that the proposed rate reduction this year will exaggerate required rate increases in future years unless even more retained earnings are returned to rate-payers via subsidies. He would prefer to see the retained earnings used as a buffer to moderate rate increases over the long term instead of to generate short-term rate reductions.

Article 8. Pam discussed considerations related to Article 8 which would authorize the Town manager to enter into a contract for the purchase of solar power for a term of 20 years. The roofs of Fiske School, Harrington School and the new Department of Public Facilities Buildings are potential sites. This would be photo voltaic power and the provider installs and maintains the equipment. The town agrees to pay a certain rate for the electricity generated. The agreements need to be long term due to the provider costs. There is not a proposal for a specific contract; rather the Town is asking for the flexibility to enter into such agreements in the future. We discussed the concepts, including the fact that it is necessary to make it clear to Town Meeting what is being approved by this Article and we raised several questions including the criteria to be used to evaluate a potential contract once the article is approved and the value of a potential contract. Pam will follow up with Carl on the questions raised.

Local Option Meals and Room Occupancy Excise. A general discussion was held on the pros and cons of the proposals. Some members will try to attend a forum that will be hosted by the Economic Development Advisory Committee, the Lexington Center Committee and the Tourism Committee will be held at 7 PM Tuesday, October 20, 2009 in Cary Hall Auditorium.

The meeting was adjourned at 10:02 PM.

Respectfully submitted,

Susan McLeish

Approved October 28, 2009