

Minutes
Town of Lexington Appropriation Committee
October 22, 2008

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

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

The meeting was called to order at 7:35 PM.

1. **Upcoming Meeting Opportunities.** The following meetings were noted to be of possible interest to members of the Committee:

- Massachusetts School Building Authority check presentation – Oct. 23
- Affordable Housing Forum – Oct. 23
- Energy Roundtable – Oct. 31, 10 AM to noon
- Assoc. of Town Finance Committees (ATFC) Annual Meeting - Nov. 1

2. **State Budget Cuts.** Rob Addelson reported the following in regards to the state budget cuts recently proposed by Governor Patrick:

- At this time, there are no cuts to local aid.
- The Community Policing Grants destined for Lexington have been reduced by \$8,000.
- A \$20M reduction in State funds for the sewer rate relief program will be absorbed by the MWRA and should not affect Lexington sewer rates.
- METCO monies for Lexington were reduced by \$5,000.
- The SPED circuit breaker reimbursement will be reduced to 72% from 75%; however, this will not result in a FY2009 Lexington budget shortfall because the Town's budget was built assuming a 72% reimbursement rate.

Rob advised that if the economy continues to deteriorate, there is a possibility both state aid and local revenues will yet fall short of the amounts assumed for the FY09 budget. The town is currently identifying potential cost reductions in order to have options to react appropriately to any further revenue cuts. The current amount in the Stabilization Fund is approximately \$6.6 million.

3. **Special Town Meeting.** The warrant for the upcoming Special Town Meeting has been posted on the town website. It contains nine articles. One is for unpaid bills, of which there are none at this time. Rob Addelson presented a sheet entitled "Potential Adjustments at November STM (Preliminary)" outlining revenue and expense adjustments proposed in Articles 3, 4 and 8. The adjustments address funding of the remaining snow and ice deficit; additional new growth and local aid; decreased motor vehicle excise and facilities rental revenue; increased expenses in energy and labor

counsel line items; a transfer of the full School Resource Officer costs to the Town (originally half the costs had been incorrectly budgeted to the school department); and new funding for COA kitchen equipment, a Hartwell Avenue traffic study, and a Munroe School feasibility study. Rob cautioned that the analysis is a work-in-progress and will change as numbers are more closely evaluated.

The following informational meetings relating to the Special Town Meeting have been scheduled:

- 11/3 – article presentations to the Board of Selectmen
- 11/13 – TMMA information meeting

3. Residential Property Assessments. In response to an article published in the *Lexington Minuteman* over the summer questioning the town's residential assessment process, the Board of Assessors will be making a presentation on Monday, October 27 to the TMMA executive committee explaining its procedures for determining these assessments. The Committee discussed several questions relating to how new growth values are determined, and whether residential properties are fully and fairly assessed across all price ranges. Members who attend the presentation will report back.

4. Report to the Special Town Meeting. The Committee's report to the Special Town Meeting will address Articles 3, 4, 5, 6, 7, and 8. Assignments are: Art. 3 – Deborah Brown, 4 – John Bartenstein, 5 – Eric Michelson, 6 – Eric Michelson, 7 – Glenn Parker, 8 – Richard Eurich. At this time it has not been decided whether or what to include in the report regarding Article 2, which deals with the proposed Beal rezoning.

5. Ballot Question on State Income Tax. It was reported that Andy Friedlich had asked the Committee to join other groups in town and send a letter to the Minuteman asking for a "No" vote on Question 1, which proposes repealing the state income tax over a two-year period. While the Committee had previously voted to go on record with its unanimous opposition to this ballot question, it was agreed that it would now be too late to draft, edit, vote, and submit a separate letter before the Minuteman's deadline.

6. Jay Kaufman Open House with Speaker DiMasi. Deborah Brown, Pam Hoffman, Susan McLeish and John Bartenstein reported that they had attended Representative Kaufman's recent Open House program featuring House Speaker Sal DiMasi. Some highlights of Speaker DiMasi's remarks were:

- Although at this time local aid and Chapter 70 aid will be held harmless to the downturn in state revenue, towns should prepare for cuts later this year. The amount of future cuts which might be required is not yet known.
- On the issue of the GIC, and why more towns have not yet joined, the Speaker said that the current requirement of union approval may be an obstacle, and that he will be pressing for additional legislation that will take this issue out of the collective bargaining process.

7. **Minutes.** Minutes were approved, with minor edits, of the meetings held on: 3/17/08; 4/14/08; 7/29/08; 8/7/08.

8. **Water and Sewer Rate-Setting.** John Bartenstein reported on the recent water and sewer rate hearings before the Board of Selectmen. Water rates for FY09 were increased by 10% and the sewer rates were not increased, for an approximate 2-3% across the board combined rate increase. Water and sewer enterprise fund reserves have been certified at approximately \$5 million as of the end of FY09. In view of the substantial size to which these reserves have grown, John has urged that a written policy be adopted addressing their size and appropriate use.

9. **Upcoming Meetings.** There was a discussion of upcoming meeting dates and the issues to be covered:

- 10/30 -- Beal Co. representatives to discuss their proposed rezoning
- 11/6 –work on report
- 11/10 –work on report
- 11/12 – Budget Summit
- 11/17 – 6:30 prior to Town Meeting
- 11/19 – 6:30 prior to Town Meeting

The meeting was adjourned at 10:00 PM.

Respectfully submitted,

Eric Michelson

Approved January 22, 2009