

**Minutes
Appropriation Committee
December 9, 2004**

Place and time: Town Office Building, Room 105, 7:30 p.m.

Members present: Al Levine, Rick Eurich, Rod Cole, David Kanter, Ron Pawliczek, Eric Michelson, John Bartenstein, Sheila English

Also present: Selectmen Dawn McKenna and Richard Pagett; School Committee Chair Tom Griffiths; Capital Expenditure Committee member John Rosenberg

1. **Town Annual Report.** The Committee's contribution to the Town Annual Report is due by December 22. AL can supply last year's contribution to serve as a template. RE agreed to work on this and will ask PH for assistance. SE agreed to get minutes of last year's Annual Town Meeting from Donna Hooper.

2. **Warrant Articles.** The Board of Selectmen has given notice that next year's Annual Town Meeting will commence on March 28, 2005, and that warrant articles are due by December 28, 2004. The Appropriation Committee does not have any warrant articles to propose at this time.

3. **Assessors' Meeting.** RC reported on the meeting of the Board of Assessors that he and PH attended on November 19. The principal concern of the Board of Assessors was the inadequacy of staffing in the Assessors' Office. RC and PH felt that the Board made a "pretty convincing case." The details of the meeting are summarized in RC's memo circulated on November 24. AL noted that the Board of Assessors had made a similar presentation to the Board of Selectmen when requesting permission to defer the preparation of an actual tax bill (versus an estimated bill) until the fourth quarter, as was done last year.

There was extensive discussion about whether there is a need for immediate additional help in the Assessors' Office in order to ensure that all necessary work is completed in time for the fourth quarter billing, particularly the work necessary fully to capture new growth. SE advised that, while there is a serious need to restore earlier levels of staffing in the long run, there is not a "compelling case" for additional staffing to complete the work necessary for FY05. Several extraordinary factors contributed to the delays experienced this year, including early retirements, the departure of the Assistant Finance Director, delays at the Registry of Deeds, and the fact that FY05 was a recertification year. Some of the staffing needs during the fall were addressed by bringing back early retirees on a temporary basis and hiring contractors.

The sense of the Committee was that SE should speak further with the Town Assessor and the Acting Town Manager, and advise the Committee if there is a need for any further action.

4. **Overlay Account.** There was a brief discussion of the status of past overlay accounts, and whether they might prove to be a source of additional reserves. SE indicated that this was not likely to be a significant source of funds. Due to care taken in the assessment process and a favorable history of abatements, the amounts placed in Lexington's overlay have been relatively small in recent years, compared with other towns. There is now some indication that abatement requests may be trending upward. Since the assessor may release funds from a prior year's overlay account as surplus only when there is a cumulative surplus in all the outstanding overlay accounts, it is not likely that there will be significant funds to release.

5. **Approval of Minutes.** With minor amendments, minutes were approved for the meetings held on: 4/22/04, 8/19/04 and 11/17/04. AL will send a final version of the minutes to the Town Clerk, with a copy to David Kaufman for posting on the TMMA web site.

6. **Campaign Participation Policy.** EM circulated a draft policy on participation in local political campaigns designed to accommodate concerns that had been expressed in the prior meeting. After extensive discussion, the Committee voted 6:1 to adopt the policy statement as drafted by EM. RE initially opposed the motion on the ground that he would have preferred a more stringent policy, but indicated that he would be willing to vote to adopt the policy by acclaim. A revote was then taken, and the policy was adopted by acclaim.

7. **Override Referendum Timing.** AL summarized the email he had circulated on 12/8/04 addressing "high level fiscal policies," in particular the development and maintenance of reserves and the timing of overrides, and asked for comments. There ensued an extended discussion of: (a) the relative advantages and disadvantages of having override referenda every year, every two years or every three years; (b) whether overrides should be planned on a fixed schedule or dictated by financial needs as they arise; (c) the need to engage in longer-term financial planning; and (d) the need to include in fiscal planning the development and maintenance of adequate reserves.

8. **2020 Budget Task Force Request.** There was a brief discussion of the request from the Lexington 2020 Budget Task Force for input on a proposed series of forums with financial directors from other towns to exchange information about budgetary and financial challenges and responses. The consensus was that this might be a valuable exercise in the long run, but that there would not be sufficient time to give it serious attention until after the conclusion of this year's Annual Town Meeting. SE pointed out that the 2020 committee had gathered some useful information from other communities. In particular, the Town of Brookline has recently published a set of fiscal policies dealing with reserves, etc., and also has published a very informative set of "trend reports" comparing its financial performance with that of other Aaa-rated communities. JB added that these materials are available on the Town of Brookline web site and promised to circulate a link.

December 9, 2004

9. **Miscellaneous.** Copy of Fiscal Year 2005, Appropriated Budget book (dated June 8, 2004) was distributed. SE said that she was planning to bring a response to the list of items previously submitted by Deborah Brown to the 12/16/04 meeting. Topics for the next meeting will include review and approval of additional minutes and a continuation of the discussion of fiscal policies.

The meeting concluded at approximately 10:00 p.m.

Respectfully submitted,

John Bartenstein

References:

1. Proposed Appropriation Committee Campaign Policy (Eric Michelson draft)
2. Summary of Meeting with the Assessor's Office, 11/19/04 (circulated by Rod Cole 11/24/04)
3. Email from Al Levine dated 12/8/04, "More on Fiscal Policy"
4. Email from Paul Hamburger dated 12/9/04 forwarding email from 2020 Budget Task Force on Municipal Finance Information Forums
5. Fiscal Year 2005 Appropriated Budget, 6/8/04

Approved January 6, 2005