

Minutes
Town of Lexington Appropriation Committee
October 13, 2010

Place and time: Town Office Building, Room 207, 7:30 p.m.

Members present: Glenn Parker (Chair), John Bartenstein (Vice Chair and Secretary), Joe Pato (Vice Chair), Alan Levine, Susan McLeish, Eric Michelson, Dick Neumeier, Rob Addelson (ex-officio)

Also present: Selectmen Deborah Mauger and George Burnell

The meeting was called to order at 7:33 p.m.

1. Finance Committee Administrative Support. A job listing for someone to assist this committee and the Capital Expenditures Committee with agendas, scheduling and minutes has been posted. In view of increased record-keeping requirements imposed by amendments to the state's Open Meeting Law that became effective on July 1, 2010, the FY2011 budget approved at the Annual Town Meeting contained funding for such a position.

2. CPA Budget Reallocation. Glenn Parker reported that he attended a meeting of the Community Preservation Committee this afternoon where a possible budget reallocation was discussed due to a reduction in matching funds (\$80,000) from what had been anticipated as well as a shortfall in interest (\$30,000) below what was initially expected for this year. There may be an article to address these items if a Special Town Meeting (STM) is held this fall.

3. Lease for Munroe School. Selectman George Burnell provided a summary of a proposal that the Board of Selectmen has been discussing to lease, instead of sell, the former Munroe School. By way of background, he explained that the building had been used for a long time without contracts. Last year, the Board of Selectmen decided to sell the building but Town Meeting did not agree that a sale was appropriate, so the Board decided to revisit the situation. The Selectmen are still committed to the use of the building for arts programs.

The concept would be to lease the building to a non-profit for a thirty-year period consisting of a ten-year term with two renewal periods (similar to the arrangement between the Town and LexMedia). The non-profit would charge rent to the programs utilizing the space and use those revenues to pay for the operating costs of the building. Based on rents currently being charged to the resident programs by Lexington Friends of the Arts (LFA), there should be approximately \$100,000 per year available for maintenance of the building. (In the past, much of the rent revenue has been used to subsidize arts programs rather than to maintain the building.) A non-profit would be able to contract for capital improvements at a more favorable rate than the Town and could also accept work on a *pro bono* basis.

Mr. Burnell is still in the process of refining the broad concept and will be consulting with Town Counsel. The objective is to formulate something that would work for both the non-profit and the Town. There will be more discussion by the Board of Selectmen during the weeks ahead with a goal of eventually putting out an RFP to lease the building.

Possible Special Town Meeting. Glenn Parker reported that he had attended a meeting earlier in the day to discuss the possibility of holding a Special Town Meeting (STM) later in the fall. The impetus is to adjust the budget for the costs of the PCB remediation at Estabrook School (approximately \$661,000 has been expended to date, of which \$400,000 was covered by this committee's recent transfers from the Reserve Fund). If the meeting is to be held, an article addressing adjustments between salaries and benefits for the results of collective bargaining concessions made by unions would also be included. The consensus at the meeting was that it was preferable to catch up with the spending that has occurred to date and to replenish the Reserve Fund. The Selectmen will meet on October 20 to make a decision on whether to call a STM. Rob Addelson indicated that the cost of a STM would be approximately \$4,000 to \$6,000. In addition to addressing the Estabrook School PCB costs and health benefit transfers, the warrant might also include articles for an adjustment to the water and sewer budget, some action to address the CPA revenue shortfall discussed in item 2 above, and potentially a bond issuance for future PCB remediation costs. The committee is neutral in its support of a Special Town Meeting.

4. Water and Sewer Rates. John Bartenstein reported that Town Manger Carl Valente presented a proposal for the FY2011 water and sewer rates at the last Board of Selectmen meeting held on October 24. The recommendation was for a 0.7% increase in sewer rates and a 3.7% increase in water rates, for a combined increase of 1.7%. There will be a hearing at the BoS meeting on October 25, after which the rates will be set.

5. Assessment Issues. John Bartenstein and Joe Pato reported that they had attended a meeting of the Board of Assessors at which questions raised by Patrick Mehr on the TMMA list about the process for assessing commercial properties were addressed. In particular, the Board discussed the question whether the rezoning of a commercial property by Town Meeting to allow a higher density *ipso facto* results in a higher valuation that may be recognized by the Town as new growth, even before any construction has commenced. The Board of Assessors will be discussing the subject further at a meeting this Thursday, and also are considering making an updated presentation, similar to one made several years ago, to Town Meeting Members on the commercial assessment process.

6. Future Meetings. The committee will meet next on Wednesday, Oct 27 and on Wednesday, November 3.

The meeting was adjourned at 9:43 p.m.

A list of documents and other exhibits used at the meeting is attached.

Respectfully submitted,

Susan McLeish

Approved December 6, 2010

Exhibits
Appropriation Committee Meeting
October 13, 2010

1. Agenda circulated by Glenn Parker, Chair, on October 8, 2010
2. One-page draft document entitled “Munroe RFP Intent, Selectmen’s Statement of Intent (Concept),” dated 9/14/10, provided by George Burnell