

**Minutes
Town of Lexington Appropriation Committee
March 17, 2011**

Place and time: Cary Hall, Estabrook Lobby, 7:30 p.m.

Members Present: Glenn Parker, Chair; John Bartenstein, Vice Chair and Secretary; Joe Pato, Vice Chair; Eric Michelson; Richard Neumeier; Rob Addelson (non-voting, ex-officio)

The meeting was called to order at 7:36 p.m.

1. Report Schedule. The Committee discussed the timing of its report to the Annual Town Meeting. The goal is to have a final draft ready by Monday, March 21, 2011 and the complete report on the TMMA table and distributed electronically by Wednesday, March 23.

2. Article Discussion and Votes.

Article 4 - Operating Budget. Mr. Pato and Mr. Levine reported that their write-up on the health insurance budget is still pending, and that they would be meeting on Tuesday with Carl Valente and Human Resources Director Denise Casey to obtain additional information regarding actual enrollment and its fluctuation, as well as school data. The Committee agreed that the final report should reflect the true underlying increase in health insurance and that another meeting of the Committee should be scheduled for Tuesday, March 22, 2011 in order to finalize the report.

Mr. Addelson, referring to the 3/11/11 draft motion of Article 4 that was circulated at the previous meeting, pointed out that the appropriation of Free Cash has been increased to \$4,838,115. This amount includes the \$697,000 that during the budgeting process had been set aside to offset potential cuts to State Aid. It will be appropriated at the Annual Town Meeting, even though there are no offsetting expenses in the budget, so as not to require a Fall Special Town Meeting in order to access this revenue. Mr. Addelson explained that there is no requirement that the Annual Town Meeting conclude with a balanced budget. If it turns out that not all of the \$697,000 in unbudgeted revenue is needed to cover any remaining FY2012 snow and ice deficit and/or a reduction in State Aid, then he will reduce the current estimate of local receipts to the extent necessary to balance the budget for tax recap purposes in the fall, and the overage will appear as Free Cash at the end of FY2012 that is available for appropriation in FY2013. A motion was made and seconded to recommend approval of this article. Vote: Approved 6-0-0.

Article 5 - Enterprise Funds Budgets - Recreation Portion. Mr. Bartenstein added his vote in the affirmative. Final Vote: Approved 9-0-0.

Article 5 - Enterprise Funds Budget - Complete Article. A motion was made and seconded to recommend approval of this article. Vote: Approved 6-0-0.

Article 6 - Senior Service Program. The Committee will leave its recommendation pending in the report and vote on this article after it receives the final amount proposed for appropriation.

Article 7 - Revolving Funds. Mr. Bartenstein added his vote in the affirmative, bringing the Committee's vote on this article to: Approved 9-0-0.

Article 8 - CPC Operating Budget and CPA Projects. Mr. Bartenstein added his vote in the affirmative on everything previously voted for Article 8, including (a), (b), (d), (e), (g), (i) and (l), bringing the Committee's vote to: Approved 9-0-0.

Article 8(f) - Battle Green Master Plan Implementation. A motion was made and seconded to recommend approval of this Article. Vote: Approved 6-0-0.

Article 8(c) - Leary Property Planning Funds. Mr. Levine gave a background of the property and project. CPA funds were used to purchase 14.2 acres and a small lot on Vine Street was set aside for affordable housing. The funds requested are for wetlands delineation, surveying of the housing site, and other technical information needed for the housing planning process to proceed. LexHAB may develop this property, and a question was raised before the CPC whether LexHAB should be paying these costs. The Committee decided to table this for a future discussion.

Article 9 - Recreation Capital Project. Mr. Bartenstein added his vote in the affirmative, bringing the Committee vote to: Approved 9-0-0.

Article 10 - Municipal Capital Projects and Equipment. A motion was made and seconded to approve this article. Vote: Approved 6-0-0.

Article 11 - Sewer System Improvements. Mr. Bartenstein gave a summary of his write up on this project and the Committee discussed the breakdown of the \$1.3m requested. A Motion was made and seconded to recommend approval of this article. Vote: Approved 6-0-0.

Article 13(a) and (b) - (l) - Public Facilities Capital Project. Mr. Bartenstein added his vote in the affirmative on these article components, bringing the Committee vote to: 13(a) Approved 8-0-1; and 13(b) through (l) Approved 9-0-0.

Article 17 - Reduce CPA Surcharge. A Motion was made and seconded to recommend approval of this article. The Committee discussed exemptions for particular income levels, future projects and the impact on debt exclusions as well as the commercial surcharge. Vote: Not approved 1-5-0

Article 18 - Post Employment Insurance Liability Fund. A Motion was made and seconded to recommend approval of this article. The draft write-up for the report was discussed and will be revised. Vote: Approved 6-0-0.

Article 19 - Rescind Prior Borrowing Authorizations will remain pending.

Article 20 - Specialized Stabilization Funds. A Motion was made and seconded to recommend approval of this article. Vote: Approved 6-0-0.

Article 22 - Debt Service Stabilization Fund. Mr. Bartenstein added his vote in the affirmative, bringing the Committee vote to: Approved 9-0-0.

Article 23 – Prior Years' Unpaid Bills

Article 24 – Amend FY2011 Operating and Enterprise Budgets

Article 25 – Appropriate for Authorized Capital Improvements

The Committee's recommendation on the above articles will remain pending until the amounts of any proposed appropriations are determined.

Article 26 - Tax Deferrals and Exemptions. Mr. Pato added his vote in the affirmative bringing the Committee vote to: Approved 9-0-0.

Article 30 - Town Meeting Procedure. Mr. Pato summarized his write-up of this article. Mr. Bartenstein reported that he had been in discussions with the proponents of this article about several possible changes in the language. A Motion was made and seconded to recommend approval of the article as currently written. Vote: Approve 5-1-0.

Article 37 - Commercial Assessments. The Committee continued its discussion of this article and the property assessment process. Mr. Addelson, who was absent when the article was previously discussed, noted that commercial assessments are usually based on a capitalization of income method which takes into account rental income and expenses that are not available for vacant property. He cautioned that capturing value based on an up-zoning is speculative, and could expose the Town to claims for abatement and penalties. He also expressed concern that a resolution questioning the assessors' methodology could undermine confidence in assessments. Other members commented that the failure to recognize additional value from up-zonings could also undermine confidence in the process and that, if the DOR were to respond to this resolution by giving new guidance to the assessors, the assessors would be on sound ground if they followed those guidelines. After further discussion, a motion was made and seconded to recommend approval of this article. Vote: Approved 4-2-0

Article 38 - Residential Assessments. After discussion, a Motion was made, seconded and approved to take another vote on this article. Two members changed their previous votes, bringing the Committee vote to: Approved 6-3-0.

The meeting adjourned at 10:10 p.m.

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

Respectfully submitted,

Andrea Yopez
Recording Secretary

Approved April 6, 2011

March 17, 2011

**Exhibits
Town of Lexington Appropriation Committee
March 17, 2011**

1. Agenda posted by Glenn Parker, Chair.