

**Lexington
Town Meeting Member Association**

**Minutes of the November 12, 2003
TMMA Executive Committee Meeting**

Attendees: *Chair:* Hank Manz; *Vice Chair:* Wendy Manz; *Pct. 1:* John Bartenstein, Mary Bowes, Jon Cole; *Pct. 3:* Jackie Davison, Arthur Katz; *Pct. 4:* Ellen McDonald; *Pct. 5:* Elaine Dratch, Andy Friedlich, Paul Hamburger, Olga Guttag, Sam Silverman, Eph Weiss; *Pct. 6:* Alan Lazurus, Jane Pagett, Richard Pagett; *Pct. 7:* Marsha Baker; Margaret Counts-Klebe; *Pct. 8:* Larry Belvin, Roger Borghesani, Stewart Kennedy; *Pct. 9:* Janet Post; *Others:* Rick White, Town Manager; Bill Kealy, Library Project Manager.

1. **The meeting was called to order** at 7:34 P.M. by Hank Manz, and a quorum declared.
2. **Reading of minutes** of the last meeting was deferred because of the absence of the Clerk.
3. **Treasurer's Report** was deferred because of the absence of the Treasurer.
4. The chair recognized **Rick White, Town Manager**, for a **report on the status of the Cary Library renovation**. Rick introduced Bill Kealy, the project manager, who has also served as project manager for the Clarke, Diamond and Harrington renovations, and will manage the Fiske project.

Bill Kealy stated that the library will be a wonderful building of which the town can be proud, and that it will come in on budget, if not on time. He made the point that in municipal projects, the owner (the town) is not altogether in charge, but is subject to state construction law.

This project has had difficulties, many originating from the failure of the architectural plans to properly provide for or coordinate with engineering needs. The architects' plans lacked necessary detail, and their time and cost projections were inaccurate. More than a year into the project it was discovered that the heating was inadequate, requiring an engineering re-evaluation. More power was also provided for lighting. Cracked walls have been replastered. The contractors must make these changes on the job, and they charge for change orders.

Bill Kealy indicated that he has, through aggressive management, managed to conserve \$800,000 of the town's \$1.1 million contingency fund, which will now be available for necessary furnishings. The original estimate for furniture was only \$400,000, when more than \$1 million will be needed. For example, desks for the main and lower floors, including work stations, cost \$130,000. Bill Kealy acknowledged the good work of Gary Kasmarek, Clerk of the Works, and also local architect Carl Oldenberg, who has stepped in to help with coordination of the work where the architect was understaffed.

The project is now 90% finished: heating is on; lighting is being installed; the parking lot is being poured; and the carpets are ready to go down as soon as necessary cleaning is completed. The main atrium will have sky lights. By the end of December, it should be about 98% complete, and moving in can start in January or February. In response to **John Bartenstein's** question, Bill Kealy acknowledged that there will be fewer parking spaces, approximately thirty total. He submitted a memorandum (**Exhibit A**) detailing the status of the work in progress of various subcontractors.

Olga Guttag asked how the town can learn from the mistakes in this project. **Rick White** stated that in response to the misconnections between the architects and engineers, the town has now hired ReadyCheck, a firm which makes a comprehensive review of plans before the work goes forward. Rick indicated that for a charge of \$25,000 to \$30,000 the firm helps to avoid the costly change orders encountered with the library, and that the town intends to employ Ready Check on its Harrington and Fiske projects. While the town would not have chosen to work with an architectural firm which contracted out some of its work, as this one did, the state had pre-qualified this firm and does not allow a town to disqualify them for lack of in-house staff. However, in the ongoing projects for the schools, town representatives have met at length with architects and construction supervisors to try to avoid similar problems. The architect was hired by the Library Board of Trustees with oversight by the Permanent Building Committee. However, these bodies

could not be expected to coordinate the HVAC, engineering and construction aspects of the project, which is the architect's job.

The project was also delayed by external issues: an abutter suit regarding the configuration of the building's east side and design review and revisions in response to the Historic Districts Commission. Costs rose during these periods of delay and a contractor had to be substituted. Two requests for additional funding were presented to Town Meeting and approved, and private donations were increased to more than \$4 million.

Hank Manz asked about the budget for renovations to Cary Hall, once the library facilities move from there to the new library. **Rick White** indicated that there is \$150,000 allocated in the building envelope fund to repair or replace woodwork, doors and windows. Hardwood floors and tile stairs will be repaired, restored or refinished. The interior will be repainted (replacing lead paint) as will some exterior windows and trim. There will be minor roof repairs. Rick is particularly committed to making Cary Hall a community space usable for lectures series, committee meetings and dramatic presentations. He is working with the Trustees of the Cary Hall Trust and other citizens to find ways to raise money for amenities such as stage curtains, which are outside the building envelope funding. None of the library contingency funds are available for Cary Hall, as they are committed to furnishing the library. By January or February of 2004 there will be a revised parking plan providing as much customer parking as possible, and consultation with the Historic Districts Commission on signage. Rick hopes that the regular 2004 Town Meeting can be held in Cary Hall.

Sam Silverman asked about energy conservation in the renovation. Rick said that there were no funds allocated for further HVAC installation, but that hearing and air conditioning were upgraded when the library took over Cary Hall two years ago. In response to **Elaine Dratch's** question he acknowledged that there would be no upgrading of seats.

5. **Hank Manz** reported that **the League of Women Voters has proposed that the TMMA join the League in sponsoring a public information presentation on the development of the Met State land and the proposal of Avalon** for development of housing there. **Jackie Davison** suggested that a representative of the Planning Board and the School Committee should participate and **Art Katz** stated that the Planning Board had requested a preliminary report from Avalon in December, with a final site plan in February, so the timing for a presentation would be good. **Andy Friedlich** suggested that the Met State Committee should also be represented, and **Elaine Dratch** added the Transportation Committee. The School Committee **Andy** noted that to date Avalon has been unwilling to divulge financial information and should be pressed on that point. The Executive Committee approved a resolution to co-sponsor the presentation with the LWV and agreed that December 10, (the ordinary meeting day of the Executive Committee) would be a good date. No venue has yet been set, and **Andy** suggested that Avalon pick up any charge.
6. **Paul Hamburger** reported on the most recent discussions of the Appropriations Committee and the Selectmen in preparation for the Special Town Meeting on November 17. He submitted an outline of the **Selectmen's proposal for closing the budget gap (Exhibit B)** which calculates the gap to be \$1,784,797 and proposes to close it with three offsets: funds from the NESWC stabilization fund and tipping fee reduction (\$350,000), unanticipated new growth (\$400,000), and a pension holiday (\$1,034,797). The Selectmen also voted three to two to appropriate \$100,000 of unused funds from the FY01 building envelope fund (intended for improvements to the main fire station) to open the East Lexington Fire Station through June 2004. It would be staffed with overtime labor. **Hank Manz** will ask for further details on the fire station proposal from the Selectmen. [Later information from the Capital Expenditures Committee suggests that this sum would have to be \$130,000.]

Paul Hamburger submitted a second packet (**Exhibit C**) giving the **proposal of the Appropriations Committee**, which calculates the budget gap to be \$1,984,797 and proposes to close it with four offsets: funds from the NESWC stabilization fund and tipping fee reduction (\$165,000), unanticipated new growth (\$400,000), building envelope reduction (\$20,000), and a

pension holiday (\$1,400,000). (The \$200,000 difference with the Selectman is a more conservative estimate of FY2004 receipts at only 96% of FY2003 receipts.)

The **pension holiday** is a temporary relaxation of the state requirement for towns to make timely contributions to employee pension funds toward a goal of full funding by 2028. Lexington's contribution is approximately \$3 million per year. Because state appropriations to municipalities have been reduced (\$1.4 million less to Lexington in FY04), the state is allowing towns to forego these contributions temporarily. However, the contributions must be made up, and the result of a pension holiday is effectively to borrow the funds that would otherwise be contributed at an interest rate of 8% and pay them back over 15 years (\$176,000 in FY06). There is presently \$75 million in Lexington's pension fund, and if the market improves, the pay back may be less. While health and pension benefits are subject to negotiation, the Pension Board, made up of union representatives and other members appointed by the Board, makes the decisions on pension contributions, not the Selectmen. It advocates for employees.

Paul Hamburger stressed that regardless of the bottom lines for FY04, we are anticipating a \$7.2 million deficit for FY05, even if Lexington were to take a complete, rather than a partial pension holiday.

7. In response to the request of the Executive Committee at the last meeting, **Wendy Manz** made an expanded proposal for a **TMMA campaign of voter education**. She submitted a brainstorm list of possible means to communicate with voters and lessen citizen distrust of town government (**Exhibit D**). It was agreed that interested members of the Committee could contact her with further ideas and that she would meet with the existing Communications Committee to develop strategy.
8. The **2020 process** has recently concluded its precinct meetings. **Andy Friedlich** stated that the turnout had been embarrassingly low in some precincts. **Jackie Davison** stated that about 40 people participated in Precinct 3 after a campaign of telephone calls to remind people to attend. **Margaret Counts-Klebe** mentioned the late notice in Precincts 7 and 9.
9. The meeting was adjourned at 9:14 P.M.

Respectfully submitted,

Wendy Manz,
Substitute Clerk

**THE SPECIAL TOWN MEETING WILL BE HELD ON MONDAY, NOVEMBER 17, 2003
AT CLARKE MIDDLE SCHOOL.**

THERE WILL BE NO REGULAR TMMA EXECUTIVE COMMITTEE MEETING IN DECEMBER.

A PUBLIC INFORMATION MEETING ON THE DEVELOPMENT OF THE MET STATE PROPERTY AND AVALON'S PLANS FOR HOUSING THERE WILL BE HELD ON DECEMBER 10, 2003, CO-SPONSORED BY THE TMMA AND THE LEAGUE OF WOMEN VOTERS. MORE INFORMATION ON THIS TO COME.

Exhibit A

CARY MEMORIAL LIBRARY PROGRESS REPORT November 12, 2003

The pace of construction has picked up considerably in the past couple of months, and finally we are seeing some real progress both on the interior and the exterior of the building. With most of the wood paneling and trim in place on the main and upper levels, the interior is looking very sharp. The exterior stucco is mostly done, exterior painting is in progress, most of the sidewalks have been poured, and just today (finally) they're moving the large pile of loam at the front of the building. In a few days, once the tarps are off the sidewalks and the loam is spread around, the building will look pretty good from the front.

The question we're constantly being asked, rightfully so, is, When will the Library be finished? No one can say for certain. We're at the mercy of the contractor and the subcontractors. We have been told that mid-December is the estimated date of Substantial Completion, which is when the building can be turned over to the Owner for their use, although there will be considerable time required after that to finish various odds and ends. Also, the library will need time to move, which itself is a complicated process which will require several weeks, so Opening Day could be well into this Winter or even early Spring.

This is not an easy building to get built. Compared to most buildings of this size and type, it has a lot of different materials, systems, and construction types. It is partly a renovation of a historic building and partly a state-of-the-art new building. It has three different types of roofing systems, two different types of heating systems, many different exterior wall materials, and sophisticated lighting and electronic data systems. It has first-class materials throughout, and correspondingly, complex detailing is needed to integrate all these materials and systems into a coherent whole. It is a sophisticated piece of architecture. However, the nature of today's competitive bidding practices in public projects makes it difficult to get a building like this built without thoroughly accurate and complete drawings and specifications, a large amount of professionalism and cooperation among all of the players, and a lot of luck. Unfortunately, the drawings and specifications are lacking, the contractor and the subcontractors seem to be engaged in endless battles amongst themselves, and we have had bad luck with weather and other things. Errors and omissions in the drawings, of which there are plenty, are opportunities for the contractors to claim extra costs and time, and we fight on a daily basis to keep extras minimized and to keep everyone fair. Many of the battles between the contractor and the subcontractors have nothing to do with this job, but we are the ones paying the price due to their delays.

We are hoping to see interior woodwork and painting finished in the next several weeks, and then carpeting can be installed which will make the interior look pretty much finished. Lights are being installed now; the heating system is up and running. They'll be finishing up the carpentry at the historic front porch in the next couple of weeks.



Town of Lexington

FY 2004 Balanced Budget Proposal - Agreed to November 10, 2003

The list below details the FY 2004 deficit as agreed to by the Board of Selectmen on Monday, November 10, 2003. Two separate votes were taken. The Board unanimously agreed that the deficit stood at \$1,784,797. On a 4-1 vote they proposed the following offsets.

FY 2004 Closeouts

Deficit (Selectmen Vote - 5-0)

| | | |
|--|-----------|------------------|
| FY 2003 Snow & Ice Deficit | \$ | 719,146 |
| FY 2004 State Aid Reduction (from Town Meeting) | \$ | 604,651 |
| FY 2004 Local Receipts Adjustment | \$ | 200,000 |
| FY 2004 Snow & Ice Adjustment (Line-Item 3000 DPW Expenses) | \$ | 200,000 |
| FY 2004 Minuteman Tech Adjustment (Line-Item 1200 Regional Schools) | \$ | 61,000 |
| Deficit | \$ | 1,784,797 |

Offsets (Selectmen Vote 4-1)

| | | |
|--|-----------|------------------|
| NESWC Tipping Fee Reduction & Stabilization Fund Withdrawal (Line-Item 3000 DPW Expenses) | \$ | 350,000 |
| Unanticipated New Growth | \$ | 400,000 |
| Pension Holiday (Line Item 2110 Contributory Retirement) | \$ | 1,034,797 |
| Offsets | \$ | 1,784,797 |

Final Balance:

\$ -

Notes:

The proposal as listed above takes care of the snow & ice deficit from FY 2003, decreases state aid & local estimated receipt revenues for FY 2004, and dedicates more resources to the Minuteman Regional Schools (by assessment) and towards dealing with snow & ice issues this upcoming winter. To balance the decreasing revenues and increasing expenses, the proposed offsets reduce the amount of reserve in the NESWC Stabilization Fund, take from better than anticipated growth in the tax levy, and reduce a portion of the FY 2004 assessment to the pension system.

In addition, Selectman McKenna, in an e-mail dated 11/12/2003, stated that the Selectmen are planning to ask Town Meeting to approve \$100,000 to re-open the East Lexington Fire Station.

11/6/2003 For discussion w/Appropriation Committee**DJB****FY04 deficit:**

\$ 400,000 local receipts adjustment
 \$ 200,000 snow and ice appropriation increase
 \$ 61,000 Minuteman Tech assessment increase
 \$ 604,651 State Aid deficit
 \$ 719,146 snow and ice deficit
\$1,984,797

Offset FY04 deficit:

\$ 450,000 NESWC - 28% = \$165 m
 \$ 400,000 new growth
 \$ 20,000 building envelope reduction (?)
\$1,114,797 pension holiday 1,400,000
\$1,984,797

Apply towards \$225,000 staffing savings needed to keep FY04 budget in balance:

\$ 16,000 BOS office
\$ 64,000 DPW operations restructuring
\$ 80,000

Place/keep in stabilization fund for future use:

\$ 65,000 Harrington gym floor
\$ 111,000 pumper truck
\$ 176,000

New information:

\$300,000 NESWC stabilization fund credit for sale of energy generated at plant (from Wheelabrator). Per Rick White, Bill Hadley has received this amount; we'll clear this amount after taking \$450,000 for deficit. Also indicated that Bill expects we'll receive a similar amount in FY05.

Decision hierarchy:

- 1) Describe ALL problems and have plan in place to fix (not just those required to be fixed by tax-rate-setting.) This includes realistic estimates for local receipts and snow & ice so we don't have the same mid-year deficit problems next year.
- 2) Cuts are best, but personnel cuts through attrition/retirement/restructuring should first go towards \$225,000 and ERI break-even.
- 3) Recurring revenue items preferred to loans or deferrals. (\$300,000 for NESWC now appears to be recurring.)

To: TMMMA Executive Committee
Fr: P. Hamburger, Member, Appropriation Committee
Sub: Emails supporting current **unofficial position** on balancing FY04 Budget

Email from Deborah Brown to Appropriation Committee, Monday, November 10, 2003 2:16 PM
in response to Paul Hamburger's email below:

..., but one could easily restore \$100K of the local receipts adjustment by taking all \$450K of the NESWC funds.

I must warn everyone that I'm leaning towards supporting the BOS position. I hardly see it as capitulating. The Selectmen have come a long way on this one and ultimately the best fiscal interest of the town is served by getting as close to our recommendation as possible with a minimum of controversy and wrangling at the Special Town Meeting.

I fully agree with Paul on the fire proposal. I'll draft a communication to send to the Fire Chief, Rick, and Peter.

Deborah

----- Original Message ----- **From:** P Hamburger **To:** Appropriation Committee, **Sent:** Monday, November 10, 2003 2:05 PM **Subject:** Re: BOS meeting this morning

Fellow Committee Members:

Thanks to Deborah for a great job summarizing the Selectmen's meeting, and thanks to all of us for having a significant effect on Jeanne's thinking.

I don't think we should capitulate yet. **I propose that we should agree to compromise if the Local Receipts reduction is restored to \$400K leaving us \$166,000 from the max usage of the pension holiday that we propose.** On the one hand I am pleased that the BOS has **recognized all the issues and has come a considerable way toward our viewpoint.** On the other hand I am worried about the **FY05 outcome should an override fail and even the possible advent of a November 04 special town meeting given the uncertainties of state aid and other revenue sources.** **We should come as close as possible to giving ourselves the most options for the 05 budget season by using as much of the pension holiday as we can muster support for.**

Logistically, if we agree to this position (hopefully unanimously), on Thursday, the selectmen can still caucus on Monday night after having gotten our message in their packet on Friday. Perhaps others would like to weigh in on my suggestion even before thursday so Deborah can communicate about it if we are pretty much in agreement.

As far as Peter's proposal is concerned, I feel very strongly that someone, be it the Fire Chief, Rick or Peter has to come to us with a clear proposal which is accepted by management, has a cost identified and has a result identified with contingencies such as Peter outlined last meeting. I do not believe we have this at the moment, and would not be in favor of us taking a position until we do. Perhaps this piece could/should be forwarded to the folks mentioned above asap?

On the spread sheet (FY 05 projection), I am working on it. It is my notion to copy the information on Deb's 11/6 memo as modified in the meeting (or should I use the Selectmen's proposal??) One pair of columns will show the 2.5m deficit, the next pair will show how we propose to fix it. Then the 2005 will be separated into a base value and a separate one for cuts in salaries and cuts in positions to a balanced budget.

I will have to cut out some columns, but somehow it will fit on two pages. I am thinking about a summary page, too. No guarantees on that.

Regards, Paul

----- Original Message ----- **From:** Deborah Brown **To:** Appropriation Committee, **Sent:** Monday, November 10, 2003 10:43 AM **Subject:** BOS meeting this morning

Hi, all. I attended the BOS meeting this morning. **Jeanne Krieger presented her compromise proposal** which was meant to address many of the things she heard at our meeting Thurs. night. She proposed:

1) Define deficit as \$1,984,797 as we had - includes full \$400K adjustment to local receipts, \$200K increase in snow & ice appropriation, and \$61K Minuteman Tech assessment increase.

2) Offset deficit with: \$450K NESWC, \$111K pumper truck stabilization fund withdrawal, \$65K Harrington gym floor redistribution, \$20K building envelope reduction, \$400K unanticipated new growth, balance Pension Holiday (\$938K). She held aside the \$16K BOS personal services cut and the \$64K DPW restructuring for use towards \$225K reduction needed to keep FY04 in balance, as we recommended.

This proposal represents \$541K more in pension holiday than Leo's proposal.

During the BOS discussion, Dawn and CEC (Shirley and Charles) expressed concern about the capital pieces, including the fact that 2/3 vote of Town Mtg. required to take \$111 pumper truck money out of stabilization. Dawn proposed taking the 3 capital items (\$111K, \$65K, \$20K) out of the deficit equation and reducing the local receipts adjustment by \$200K. She also recommended reducing the NESWC reduction by \$100K to \$350K and increasing the Pension Holiday by \$100K. So the new compromise proposal looked like this:

***1) Define deficit as \$1,784,797 (only adjust local receipts by \$200K).**

***2) Offset deficit with: \$350K NESWC, \$400K new growth, \$1,034,797 pension holiday**

This proposal represents approx. \$641K more in pension holiday than Leo's proposal, and approx. \$366K less in pension holiday than we proposed.

THIS PASSED BY A 4-1 VOTE. (Peter voted against.)

The BOS also voted on Peter's proposal to restore East Lexington station for remainder of FY04 using unspent FY02 capital appropriation for fire station (no more information provided than Peter gave us Thurs. night). **THIS PASSED 3-2** (Leo, Dawn, Peter voted for this.)

*****In light of all this, we need to decide** whether we'll make a motion to amend the BOS recommendation on FY04 deficit, or whether we'll throw our support behind this much improved BOS proposal, mentioning we would have done more but not making motion to amend. BOS very much want a united front, and I think they've gone quite a ways towards our recommendation both because they heard what we had to say and because they want our support on Town Meeting floor for a unified recommendation on the deficit. On the fire station proposal, we need to decide on Thursday night what, if anything, we're prepared to say about this before Monday night, since we still don't have a lot of details.***

Deborah

Projection of FY 2005 & FY 2006 Budgets from FY 2004

| Cell Item | FY 2004 No. Original (62000) TH | FY 2004 No. Overrid (77260) AC | FY 2004 Change from A to B | FY 2004 AC Gap (11420) C1 | FY 2004 Budget with AC Gap (C2) | FY 2004 AC Changes (C3) | FY 2004 AC Proposed Budget (C4) | FY 2005 Projected Aug 02 AC (D) | FY 2006 Projected Aug 02 AC (E) | FY 95/96 Projected Increase (F) |
|---|---------------------------------|--------------------------------|----------------------------|---------------------------|---------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 1 Expenditures | \$12,082,531 | \$12,082,531 | | | \$12,082,531 | | \$12,082,531 | \$12,445,007 | \$12,818,357 | |
| 2 Munic. Wages | \$6,357,077 | \$6,357,077 | | \$200,000 | \$6,357,077 | | \$6,357,077 | \$6,778,289 | \$6,426,083 | 3.0% |
| 3 Munic. Expenses (excl. debt) | | \$0 | | \$200,000 | \$200,000 | | \$200,000 | \$200,000 | \$200,000 | 3.0% |
| 4 Total Munic. Wages & Expenses | 18,439,608 | 18,439,608 | | 200,000 | 18,639,608 | (\$350,000) | 18,289,608 | 19,223,296 | 19,244,440 | |
| 5 | | | | | | | | | | |
| 6 Health Insurance | \$3,603,282 | \$3,603,282 | | | \$3,603,282 | | \$3,603,282 | \$4,323,938 | \$5,188,726 | 20.0% |
| 7 Other (Retirement, Workers Comp, etc) | \$3,720,224 | \$3,720,224 | | | \$3,720,224 | (\$1,234,797) | \$2,485,427 | \$3,906,235 | \$4,256,779 | 5.0% |
| 8 Total Benefits (Munic.) | \$7,323,506 | \$7,323,506 | | | \$7,323,506 | (\$1,234,797) | \$6,088,709 | 8,230,174 | 9,445,505 | 6.6% |
| 9 Total Munic. General Fund | 26,763,114 | 26,763,114 | | | 26,963,114 | (\$1,594,797) | 24,378,317 | 27,453,470 | 28,689,945 | 6.9% |
| 9.5 Municipal Wages, H. Ins. | 15,685,813 | 15,685,813 | | | 15,685,813 | | 15,685,813 | 16,768,945 | 18,007,083 | 6.8% |
| 10 Public Schools Wages (sum next 3 lines) | \$43,712,525 | \$43,712,525 | | | \$43,712,525 | | \$43,712,525 | \$46,674,763 | \$48,036,924 | 4.8% |
| Town Budget Numbers | \$43,712,525 | \$43,712,525 | | | \$43,712,525 | | \$43,712,525 | \$45,810,726 | \$48,009,641 | |
| Increment for 2005 enrollment | | | | | | | 964,037 | 127,283 | 127,283 | 16+120 students |
| Reduction for Teacher Retirement | | | | | | | (\$100,000) | (\$100,000) | (\$100,000) | |
| 11 Pub. School Expenses | \$10,140,486 | \$10,140,486 | | | \$10,140,486 | | \$10,140,486 | \$10,704,825 | \$11,304,436 | 5.6% |
| Pub. Schl. Expenses except Out of Di | 6,172,486 | 6,172,486 | | | 6,172,486 | | 6,172,486 | 6,419,385 | 6,676,161 | 4.0% |
| Out of District Tuition | 3,968,000 | 3,968,000 | | | 3,968,000 | | 3,968,000 | 4,285,440 | 4,628,275 | 8.0% |
| 12 Total School "Gen. Fund" | 63,853,011 | 63,853,011 | | | 63,853,011 | | 63,853,011 | 67,379,588 | 69,341,360 | 6.5% |
| 13 | | | | | | | | | | |
| 14 Pub. Sch. Health Ins (sum next 2 lines) | \$8,934,443 | \$8,934,443 | | | \$8,934,443 | | \$8,934,443 | \$10,786,332 | \$12,930,688 | 20.0% |
| Town Budget Numbers | \$8,934,443 | \$8,934,443 | | | \$8,934,443 | | \$8,934,443 | \$10,721,332 | \$12,865,588 | 20.0% |
| Retirement Adjustment | | | | | | | | \$65,000 | \$65,000 | |
| 15 Regional Vocational School | \$840,831 | \$901,000 | \$60,169 | \$61,000 | \$901,831 | | \$901,831 | \$928,886 | \$956,753 | 3.0% |
| 16 Total Education | 63,628,285 | 63,688,464 | 60,169 | 61,000 | 63,689,285 | | 63,689,285 | 69,094,806 | 73,228,711 | 7.4% |
| 17 Pub. Sch Wages & H. Ins. | 52,646,968 | 52,646,968 | | | 52,646,968 | | 52,646,968 | 56,532,058 | 60,675,239 | 8.6% |
| 18 Pub. Sch. Wages, H. Ins., & Expenses | 62,787,454 | 62,787,454 | | | 62,787,454 | | 62,787,454 | 68,166,920 | 72,271,958 | 8.6% |
| 19 Existing Debt (Principal, Interest) | \$3,800,957 | \$3,800,957 | | | \$3,800,957 | | \$3,800,957 | | | |
| 20 Authorized/Unissued Debt (Prin., Int.) | \$0 | \$0 | | | \$0 | | \$0 | | | |
| 21 Cash Capital Policy | \$296,322 | \$296,322 | | | \$296,322 | | \$296,322 | | | |
| 22 Other Capital | \$500,000 | \$500,000 | | | \$500,000 | | \$500,000 | | | |
| 23 Temporary Borrowing | \$275,000 | \$275,000 | | | \$275,000 | | \$275,000 | | | |
| 24 Total Capital and NonExempt Debt | 4,872,279 | 4,872,279 | | | 4,872,279 | | 4,872,279 | \$5,015,336 | \$5,150,719 | 2.6% |
| 25 Existing/Projected Exempt Debt | \$4,289,338 | \$4,289,338 | | | \$4,289,338 | | \$4,289,338 | 4,289,338 | 4,289,338 | TBD |
| 26 Total Capital & Debt (Incl. Exempt) | 9,161,617 | 9,161,617 | | | 9,161,617 | | 9,161,617 | 9,304,674 | 9,440,057 | |
| 27 Town Meeting Articles | \$0 | \$0 | | | \$0 | | \$0 | | | |
| 28 Supplemental Appropriation | \$0 | \$0 | | | \$0 | | \$0 | | | |
| 29 Assessments, Offsets & Overlay | \$2,678,076 | \$2,678,076 | | | \$2,678,076 | | \$2,678,076 | 3,200,070 | 3,200,071 | |
| 30 Prior Yr Deficits & Judgments (snow, L/Rcp | \$0 | \$1,290,421 | \$1,290,421 | \$719,146 | \$719,146 | | \$719,146 | | | |
| 31 Total Assessm'ts, Offsets, Ov'lay, Articl | 2,678,076 | 3,968,497 | \$1,290,421 | 719,146 | 3,397,222 | | 3,397,222 | 3,200,070 | 3,200,071 | See note |
| 32 | | | | | | | | | | |
| 33 Water Enterprise | \$6,275,048 | \$6,275,048 | | | \$6,275,048 | | \$6,275,048 | 6,275,048 | 6,275,048 | |
| 34 Sewer Enterprise | \$8,796,226 | \$8,796,226 | | | \$8,796,226 | | \$8,796,226 | 8,796,226 | 8,796,226 | |
| 35 Recreation Enterprise | \$1,454,272 | \$1,454,272 | | | \$1,454,272 | | \$1,454,272 | 1,454,272 | 1,454,272 | |
| 36 Enterprise Articles | \$710,000 | \$710,000 | | | \$710,000 | | \$710,000 | 710,000 | 710,000 | |
| 37 Total Enterprise | 17,235,546 | 17,235,546 | | | 17,235,546 | | 17,235,546 | 17,235,546 | 17,235,546 | no effect |
| 38 | | | | | | | | | | |
| 39 Total Expen Excluding Ent & Ex. Debt | 96,941,764 | 98,292,344 | \$1,350,590 | 96,337,103 | 98,292,344 | | 96,337,103 | 104,763,682 | 104,763,682 | |
| 40 Total Expenditure Requirements | \$13,350,590 | \$13,350,590 | | \$1,350,590 | \$13,350,590 | | \$13,350,590 | \$14,714,272 | \$15,000,000 | |

Projection of FY 2005 & FY 2006 Budgets from FY 2004

| | FY 2004 No Override (6/20/03) TM | FY 2004 No Override (7/25/03) AC | Change from A to B | FY 2004 AC Gap (11/12/03) | FY 2004 Budget with AC Gap | FY 2004 AC Change | FY 2004 AC Proposed Budget | FY 2005 Projected Aug 03 AC | FY 2006 Projected Aug 03 AC | FY 05/06 Projected Increase |
|--|--|--|-----------------------|---------------------------------|----------------------------------|----------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | A | B | | C1 | C2 | C3 | C4 | D | E | |
| 43 Revenue | | | | | | | | | | |
| 44 Ch. Sheet Incl. Assessment & Offset und | \$8,848,644 | \$8,243,991 | -\$604,653 | -\$604,651 | \$8,243,993 | | \$8,243,993 | 7,243,991 | 7,243,991 | FY05 -\$1M |
| 45 Local Receipts | \$9,714,975 | \$9,714,975 | | -\$400,000 | \$9,314,975 | | \$9,314,975 | 9,314,975 | 9,314,975 | Level 05 06 |
| 46 Available Funds | \$943,551 | \$943,551 | | | \$943,551 | | \$943,551 | 288,000 | 288,000 | See Note |
| 47 Enterprise Revenue | \$17,335,546 | \$17,335,546 | | | \$17,335,546 | | \$17,335,546 | 17,335,546 | 17,335,546 | Level 05 06 |
| 48 Non-Tax Levy Revenue | 36,842,716 | 36,238,063 | | (1,004,651) | 35,838,065 | | 35,838,065 | 34,182,512 | 34,182,512 | |
| 49 | | | | | | | | | | |
| 50 Previous Year Tax Levy | \$74,228,862 | \$74,228,862 | | | \$74,228,862 | | \$74,228,862 | 77,834,584 | 80,680,449 | Last year limit |
| 51 Allowable 2.1/2% Inc. | \$1,855,722 | \$1,855,722 | | | \$1,855,722 | | \$1,855,722 | 1,945,865 | 2,017,011 | 2.5% of Line 50 |
| 52 Allowable New Constr. | \$1,350,000 | \$1,350,000 | | | \$1,350,000 | \$400,000 | \$1,750,000 | 900,000 | 900,000 | 900,000 |
| 53 Voter Approved Override | | | | | | | | | | |
| 54 Real Est. Tax Levy Limit | 77,434,584 | 77,434,584 | -\$604,653 | | 77,434,584 | 400,000 | 77,834,584 | 80,680,449 | 83,597,460 | None |
| 58 Total Revenues less Enterprise Funds & Debt Exclusions | 96,941,764 | 96,337,101 | | | 96,337,101 | | 96,337,103 | 97,527,415 | 100,444,426 | |
| 59 Debt Exclusion | \$0 | \$0 | | | \$0 | | \$0 | | | |
| 60 Projected Debt Exclusion | \$4,189,338 | \$4,189,338 | | | \$4,189,338 | | \$4,189,338 | 4,189,338 | 4,189,338 | |
| 61 Total Revenues | 118,868,638 | 117,868,885 | -\$604,653 | (1,004,651) | 117,461,987 | 400,000 | 117,861,987 | 119,062,299 | 123,966,310 | |
| 62 Budget Deficit/Surplus | | | | | | | | | | |
| | | (1,955,243) | -\$1,955,243 | (1,984,797) | (1,984,797) | 1,984,797 | - | (7,236,267) | (9,825,020) | Cumulative |

How this November 10 spread sheet got made from the August 2003 version

1. 1/16/03 memo from DRB FY04 deficit numbers placed in column C1. Totals to Column C2
 2. Offsets to column C3. Totals to column C4
 3. Remove Cuts/Salary Adjustments for 05
 4. Add in salary adjustments in a new column. Add in State Aid Red \$1m
- How this spread sheet got made from the one in the Appropriation Committee report for the July 28, 2003 STM
1. Snow/ice for 04 was increased by \$400,000 see Row 3
 2. Local Receipts was decreased by \$200,000. See row 45
 3. These two together pushed the FY04 "Gap" to \$2,555K. See Row 62.
 4. The balance is achieved by to-be-determined cuts shown as half in the municipal and half in the school and divided in the town in a 2:1 ratio personnel to expenses, and divided in the school in a 4:1 ratio between personnel and expense budgets. No effect is assumed on the unemployment or medical costs at this point though those budgets will be affected.

5. The 2003 snow deficit was moved to prior year deficit from Munic. Expense to make the extrapolations of expense work better, now that 04 snow is more realistically budgeted.
 6. This shows a balanced 2004 budget and a gap for 2005 of \$2,425M. You can get this figure by changing the percent column on the right for munic. And school wages to 3% and 4.8% resp. and then looking at line 62 column D
 7. Next, in the FY05 column the percentage increases were changed to 0% and 1.8%. This shows an 05 deficit of \$806K which needs to be balanced by non recurring revenues and, if necessary even further cuts.
 8. Next suppose we reduce the Health Insurance cost in 2005 by \$805K by adding the same amount to the employee share of health insurance. This would be in the neighborhood of 30-40% of what they are now paying. This balances 05 and brings the 06 deficit down to \$1,533M. Asking for another \$1,533M of the health insurance bill in 06 seems even more draconian than what is above, but that is what it takes to balance unless we get relief.
 9. Recurring items which could reduce the budget could include
 - a. Growth above \$1,35M reported in Dec. 04 and above \$0.9M reported in Dec. 05
 - b. Use of half the stabilization fund (\$275K) in each of FY 04 and 05 since in 06 we get a reduction in the tipping fee
 - c. relief from the pension fund, but a 2 year plan would present a very high wall in 07 (better a plan to fully fund by 2020 instead of 2020 which might provide \$200 - 300 K per year
- 11/12 relief until 2020 and then much more.

Exhibit D

Possible Ways to Increase Communication with Voters

1. **The Minuteman**

Possible monthly column with basic facts about Town Meeting, calendar, topics covered in TMMA Executive Committee

Flow chart graphics (a) to run prior to Town Meeting describing process of drafting, submitting, debating and passing a warrant article; (b) describing budget process

2. **TMMA Website**

Possible content:

- (a) A Citizens Guide to Lexington (TMMA members to work with Town Manager's office to update existing Guide)
- (b) Town Meeting in Lexington (TMMA members to work with Marge Battin to update existing booklet)
- (c) Communications Committee to work with Town Manager's office on guidelines for document publication, such as budgets, projections, spread sheets, etc.
- (d) Lexington Historic Districts Commission Guidelines
- (e) Planning Board Comprehensive Plan elements completed to date
- (f) Lexington Annual Report
- (g) Profiles of Town Meeting Members (brief bio? Position statements? Photo? Voluntary posting of voting record?)

2. **Outreach**

- (a) Town Meeting Members to visit meetings of other organizations (e.g., PTA meetings, Newcomers' meetings) to explain Town Meeting process, how to run, etc.
- (b) TMMA to sponsor information meetings/forums (e.g., Met State forum to be co-sponsored with the League of Women Voters 12/10/03)
- (c) Town Meeting Members to march in the Patriots' Day Parade.