

Budget Collaboration/Summit 5
February 17, 2006

A joint meeting of the Board of Selectmen, School Committee and Finance Committees was held on Friday, February 17, 2006, at 8:30 a.m. in Cary Hall. Chairman Krieger, Mr. Kelley, Mr. Pagett, and Mr. Manz; Mr. Valente, Town Manager; and Ms. Pease, Executive Clerk were present.

The Chairs of the School Committee, Appropriation Committee and Capital Expenditures Committee called their members to order.

FY 2007 Capital/Cash

Mr. Edson, Capital Expenditures Committee (CEC), presented the revised recommendations for capital articles. Pending items include Article 28(c)e - Fire Station Drainage, Roof Repairs, Female Shower and Article 28(d) - DPW Equipment. CEC is waiting for additional information on drainage and the showers have been put off to allow for further discussions as to where to locate them.

The School Committee questioned why there was no recommended amount for Article 32(a) - Strategic Capital Plan for Elementary Schools. CEC replied they felt Article 32(a) should be paid for by the school department within the budget. Mr. Ash replied that the schools did not have the capacity to do so.

The School Committee felt that Article 33 - School Administration Building (White House) should reflect a dollar amount to give them flexibility to move forward if possible. The CEC was willing to put the article as pending.

The CEC feels that Article 28(c)c – Visitor Center Electrical should be done but need a refined scope of work which DPW is preparing.

The CEC request for approximately \$940,000 being set aside in a Stabilization Fund for Cash Capital items was discussed. The CEC is looking for a commitment. The Appropriation Committee (AC) voted to support moving money to a stabilization fund but not designate for Cash Capital because they don't know where the Town is going with reserves or what the breakdown of operating and capital will be. The AC is waiting to hear the recommendations of the Selectmen's Ad Hoc Financial Policy Committee.

Mr. Valente reviewed Lexington's Debt Service History.

Review of At-Risk Proposal

Dr. Ash reviewed the Schools recommended "at-risk" list. The list is broken down into three tiers:

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- Tier 1 (level service budget) cuts the budget by \$2,634,412. It includes the programs and expenses that should be cut first and will reduce the budget from \$66,703,858 to \$64,069,446.
- Tier 2 (basic budget) reestablishes priorities within the level service budget by dropping some current programs/expenses and adding others totaling \$69,800. The basic budget is based on current priorities.
- Tier 3 includes the programs and expenses that should be cut last. The cuts will reduce the school committee's level service budget from \$64,078,046 to \$61,652,579, which is a further cut of \$2,347,067.

Cuts from the three tiers totals \$5,051,279. In order to reach the maximum funding increase currently available, \$1,534,878, an additional list of cuts totaling \$72,117 needs to be found.

The School Committee was asked to look for an additional 5% of possible reductions in the School budget, like the Town Manager is doing for the municipal budget. The School Committee responded that they cannot put anything else at-risk. They are concerned about employee morale and losing teachers before the proposed override date.

Mr. Valente reviewed the proposed budget adjustments to the municipal budget. The Senior Management Team put the list together keeping in mind service efficiencies, maintenance savings but not deferrals, maintaining core services like public safety, legal and regulatory requirements and fee for service programs. The additional 5% of cuts will be presented to the Board on February 27.

Mr. Levine, Appropriation Committee, suggested the group be prepared to discuss specific questions for an unbundled override. He suggested a combined question for building and facility maintenance for schools and town.

Everyone should be prepared to come up with a priority list of "at-risk" items for both the school and municipal budgets for the March 1 meeting. Do not expect to discuss override questions at the March 1 meeting. The School Committee would like further information from the Selectmen on what types of override questions are being considered (combined or not).

The Selectmen are open to suggestions for how to frame override questions.

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FY 2008 Projected Reserves

Mr. Hamburger, Appropriation Committee, presented his FY2008 projections, which will be reviewed by the Appropriation Committee at its next meeting.

Budget Schedule

Questions that need to be resolved by March 1 are: elements of capital paid by cash and the magnitude of the override.

The next Budget Collaboration/Summit meeting is scheduled for Wednesday, March 1, 2006, at 7:00 p.m. in the High School Commons II. There will be a backup meeting scheduled for Thursday, March 2, 2006, at 7:00 p.m. A room will be reserved and notice send to the Budget Collaboration group.

The Appropriation Committee, Capital Expenditures Committee, and the School Committee adjourned.

Town Counsel

Mr. Lahey is leaving Palmer & Dodge as of March 1 to go to Anderson & Kreiger. Mr. Batt is also going to Anderson & Kreiger. Mr. Pace is undecided. The Selectmen discussed how to handle existing cases. If the Selectmen appoint Anderson & Kreiger as Counsel for Lexington, there needs to be a contract with Palmer & Dodge for existing ongoing cases.

The Selectmen requested a copy of the Board of Selectmen's Legal Services Review Committee report done in early 2003.

The Town currently does not have any contract agreement with Palmer & Dodge. Per the General By-laws, the appointment of Town Counsel is to be made within 30 days of the Town election.

Mr. Valente needs to have Mr. Lahey and Mr. Batt available for at least the short-term to get through Town Meeting.

Mrs. Krieger suggested that the Selectmen appoint Mr. Lahey as Town Counsel to the end of FY 2006. That would give the Board an opportunity to undertake a competitive process and look at options. The Board needs to make sure there are no contract issues and need to have formal contracts with both firms.

The Selectmen suggested Mr. Lahey provide an assessment of existing cases to look at in executive session on February 27.

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Mr. Valente will look into whether there are any non-compete issues, what kind of contract is needed, if any, with Palmer & Dodge and Anderson & Kreiger. He will also talk with both firms about these changes.

Upon motion duly made and seconded, it was voted to adjourn at 11:30 a.m.

A true record, Attest:

Lynne A. Pease
Executive Clerk