

Executive Summary

Please read this Executive Summary if you do not have time to read the full report.

Last September, the Capital Expenditures Committee (CEC) began vetting proposals from the municipal departments and school administration as well as various citizens. The committee feels it has fully vetted all the capital requests except those listed as “pending” in the table to the left. Because of this extensive process, *Town Meeting will generally observe consensus among the boards and committees relative to capital articles.*

Lexington continues to maintain its Aaa bond rating. The CEC urges the town management, boards, and committees to jealously guard this rating. With the strong likelihood of over \$100 million worth of future debt projects on the ten year horizon, maintaining this rating will save the taxpayers tens of thousands of dollars in reduced borrowing costs. To that end, we commend the Town Manager, Board of Selectmen, and Appropriation Committee for recommending a \$1,000,000 appropriation to the stabilization fund in FY 2008.

Community Preservation Act: This Town Meeting will review a full docket of CPA requests. While the Community Preservation Committee has done an excellent job of vetting CPA projects, the review cycle has not been “in sync” with the town’s budget cycle and as a result, some eligible municipal projects are not being paid for with CPA funds. The Introduction of the Appropriation Committee report discusses this in more detail.

DPW Facility: Town Meeting will consider a request for construction money for the DPW Facility, contingent on passage of a Proposition 2 ½ debt exclusion. This project has set new standards for committee and board review during the programming and Design and Engineering phases.

The Cash Capital Policy set forth by the 2000 Blue Ribbon Committee seems to be defunct. It can be argued that it was never rigorously followed anyway so this may just be “calling a spade a spade.” The Town Manager and Finance Director are both conscious of present and future debt levels in their budget construction so we are optimistic that this more ad hoc approach will be successful. Only time will tell.

School Energy Projects: This year the schools have put forth several capital proposals which are designed to save energy. In light of the anticipated operating savings to be realized, they have “self funded” these requests by taking operating budget reductions equivalent to the expected debt service for those projects.