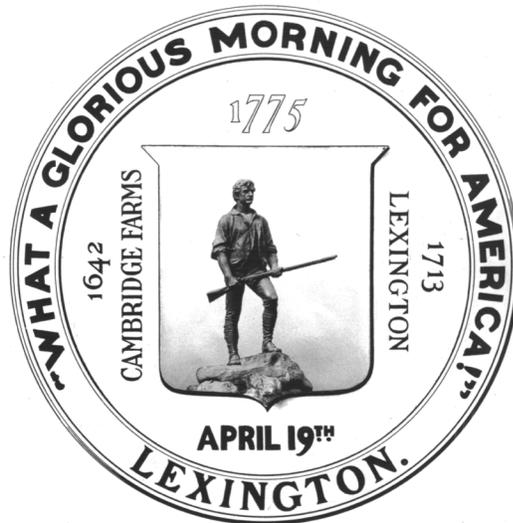


CAPITAL EXPENDITURES COMMITTEE

TOWN OF LEXINGTON



REPORT TO THE
February 8, 2016, SPECIAL TOWN MEETINGs (STMs)
2016-1 & 2016-2
Released February 1, 2016

Submitted by:

Jill I. Hai, Chair

David G. Kanter, Vice-Chair & Clerk

Elizabeth DeMille Barnett

Rodney Cole

Wendy Manz

Starts on Reverse

Warrant-Article Explanations and Recommendations

Cites of the “Town Warrant” refer to “TOWN WARRANT, Town of Lexington, Special Town Meeting 2016-1” and “TOWN WARRANT, Town of Lexington, Special Town Meeting 2016-2”, both for Meetings on February 8, 2016.

STM 2016-1

STM 2016-1, Article 2: AMENDMENTS TO THE REGIONAL SCHOOL DISTRICT AGREEMENT OF THE MINUTEMAN REGIONAL VOCATIONAL SCHOOL DISTRICT	Fund Authorization Requested	Funding Source	Committee Recommends
	N/A	N/A	Approval (5-0)

“To see if the Town will vote, consistent with Section VII of the existing “Agreement With Respect to the Establishment of a Technical and Vocational Regional School District” for the Minuteman Regional Vocational School District, to accept the amendments to said Agreement which have been submitted as a restated “Regional Agreement” bearing the date of December 21, 2015 to the Board of Selectmen of each member town; or act in any other manner in relation thereto.”

“DESCRIPTION: The new draft Regional Agreement, approved by the Minuteman School Committee, streamlines the process for withdrawal by member towns, eliminates the five-student minimum charged to member towns for capital costs, and requires out-of-district communities to help pay for their share of capital costs of a new building. The 2014 Lexington Town Meeting approved a similar version of this Regional Agreement. That version, however, was approved by only 10 of the 16 towns in the Minuteman District. Unanimous approval is required. It is believed that a consensus has been reached by all of the Minuteman communities and each Board of Selectmen has agreed to call for a Special Town Meeting to take place by March 1, 2016 to consider this revised Agreement.”

[Town Warrant for 2016-1]

The above Description summarizes what the new, additional, amendments would achieve. The Minuteman School has extensive material on all of the currently proposed amendments posted on-line at <<http://www.minuteman.org/Page/196>>, and information for Special Town Meetings at <<http://minuteman.schoolwires.net/Page/589>> including, as item #3, a robust list of Frequently Asked Questions (FAQ).

As stated in FAQ Question #21: Can my town reject the “escape clause” by which those towns leaving the District may avoid paying their share of the capital expense for a new school?

Rejection of all or part of the proposed agreement by any of the 16 member towns will kill the Regional Agreement. Defeat of the Regional Agreement may increase the likelihood that roughly \$45 million committed by the state to the Minuteman High School construction project will be lost to the District. If the Massachusetts School Building Authority (MSBA) project fails, District taxpayers will be required to pay approximately \$100 million for repairs, without any help from the MSBA.

For that reason, this Committee is reporting on this matter, as we did to the 2014 Annual Town Meeting, despite the fact that all funding for the Minuteman district—including an apportionment of any capital costs—would come through the assessment process and be an expense of the Operating Budget. The current Minuteman facility is inadequate and in failing condition. This Committee joins in support for a new facility and once again, this Committee unanimously recommends approval of the Amended Agreement being presented.

<i>STM 2016–1, Article 3: APPROPRIATE FOR HASTINGS SCHOOL FEASIBILITY STUDY</i>	Fund Authorization Requested	Funding Source	Committee Recommends
	\$1,500,000	GF (Candidate for Excluded Debt)	Approval (5–0)

“To see if the Town will vote to appropriate, borrow or transfer from available funds, an amount of money, to be expended under the direction of the Permanent Building Committee, for the costs of a feasibility study relating to the Hastings School located at 7 Crosby Road, in Lexington, for which feasibility study the Town may be eligible for a grant from the Massachusetts School Building Authority (“MSBA”). The MSBA’s grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the Town incurs in connection with the feasibility study in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town, or act in any other manner in relation thereto.”

“DESCRIPTION: On January 27, 2016, the Board of the Massachusetts School Building Authority is expected to vote on Lexington’s application to accept the Hastings School into the MSBA reimbursement program. If the Town’s application is approved at that time, this Article would fund the first phase of the process, conducting a feasibility study.”

[Town Warrant for 2016–1]

The Massachusetts School Building Authority (MSBA) Board of Directors did authorize an invitation to Lexington to proceed into the Eligibility Period—the 1st module (which must be completed within 270 days of that Board’s authorization) in the MSBA’s 8-module Building Process:

MSBA Building Process

Steps primarily for:



Source: <http://www.massschoolbuildings.org/building/>

One of the requirements of the Eligibility Period is a local vote to authorize funding for the MSBA-specified Feasibility Study (FS). This Article provides for that vote and includes the information

stipulated by the MSBA for such an action. The scope of, and matters addressed in, the FS itself are also stipulated by the MSBA.

The building project contemplated for the new Maria Hastings Elementary School has a preliminarily estimated total cost of about \$60 million. (That is before any reimbursements by MSBA—expected to be approximately 30% of total project costs.) Starting from scratch, a FS for a project of that size and complexity might reasonably be expected to cost about 2.5% of the total construction contract (estimated at about \$47 million). The resulting estimated \$1.175 million, plus a \$0.325 million contingency, is the basis of this request. A good portion of the information needed in the standard MSBA FS is already in hand; therefore, it is expected that the funding being requested will be sufficient for gathering and formatting any remaining information that is needed for the MSBA FS and also provide flexibility for the still-evolving project requirements and schedule.

Although the MSBA has the 270-day limit for the School District to complete all the work required by the MSBA during the Eligibility Period, the Town would become eligible to receive an invitation from the MSBA Board of Directors to the Feasibility Study phase as soon as all that work had been completed.

This Committee considers the creation of a new Hastings Elementary School a vital element in a larger plan for expanding the School District’s capacity to provide relief for current enrollment and adequate space for the projected, significant, increase in enrollment. The replacement of the Hastings School, with MSBA participation, will move us toward needed capacity for projected enrollment in the fall of 2019. However, as this Committee has stated previously (see the discussion in its December 4, 2015, Report to the November 2, 2015, STM #1, for Article 2), overcrowding is likely to continue at the Pre-K and elementary levels. The Committee unanimously supports the requested appropriation, and expects that the resulting design will address capacity needs in a manner both economically efficient and appropriate for our educational program.

STM 2016–1, Article 4: ESTABLISH, RENAME AND APPROPRIATE TO AND FROM SPECIFIED STABILIZATION FUNDS (SFs)	Fund Authorization Requested	Funding Source	Committee Recommends
	Traffic Mitigation SF		
	Deposit \$39,644.50	Traffic Mitigation Special Revenue Account	Approval (5–0)

“To see if the Town will vote to create, rename or appropriate sums of money to and from Stabilization Funds in accordance with Section 5B of Chapter 40 of the Massachusetts General Laws for the purposes of: (a) Section 135 Zoning By-Law, (b) Traffic Mitigation, (c) Transportation Demand Management/Public Transportation, (d) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District , (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto.”

“DESCRIPTION: This article proposes to establish, rename or fund Stabilization Funds for specific purposes and to appropriate funds therefrom. Money in those funds may be invested and the interest may then become a part of the particular fund. These funds may later be appropriated for the specific designated purpose, by a two- thirds vote of an Annual or Special Town Meeting, for any lawful purpose.”

[Town Warrant for 2016–1]

Note: All of the Town’s Specified Stabilization Funds are in addition to the Town’s General Stabilization Fund. See the Appendix for a table with information on all the current Specified Stabilization Funds.

The only fund identified in the Warrant under this Article with capital implications and for which an action is contemplated at this Special Town Meeting is the Traffic Mitigation SF—whose balance as of January 13, 2016, is \$107,541.41. The deposit into this Fund is available as a result of total payments in the amount of \$79,289.02 by Cubist Pharmaceuticals (now a wholly owned subsidiary of Merck & Co.) in connection with the prior approval of a property-development project in Town. The share of those payments into the Traffic Mitigation SF is at the Town’s discretion. (The balance of those payments went into the Transportation Demand Management/Public Transportation SF.)

STM 2016-2

<i>STM 2016-2, Article 2: LAND PURCHASE— 20 PELHAM ROAD</i>	Fund Authorization Requested	Funding Source	Committee Recommends
	To Be Determined	GF (Candidate for Excluded Debt)	Pending

“To see if the Town will vote to authorize the Selectmen to take by eminent domain, purchase or otherwise acquire, for municipal or school purposes, any fee, easement, or other interest in all or any part of land known as 20 Pelham Road and shown as lot 65A on Assessors’ Property Map 31, and to appropriate a sum of money therefor and for associated design, engineering and architectural services for plans and specifications and related costs in connection with said property; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.”

DESCRIPTION: This article requests authority and funding to purchase or take by eminent domain the property at 20 Pelham Road, owned by the Armenian Sisters and formerly used as an elementary school, to be used for municipal or school purposes.

[Town Warrant for 2016-2]

At the time of this report, there is no further public information available on this potential purchase. This Committee believes that deliberations have been postponed to a session of this STM later than February 8, 2016. When more information is available, this Committee will update its position on this Article and report that to this STM.

Appendix: Information on the Town's Current Specific Stabilization Funds

Review of Lexington's Specified Stabilization Funds for Applicability to the Lexington Capital Expenditures Committee's Reports to a Lexington Town Meeting				
Town Warrant, Town of Lexington, for Special Town Meeting 2016-1 on 8 Feb 2016, signed 11 Jan 2016 Article 4: ESTABLISH, RENAME AND APPROPRIATE TO AND FROM SPECIFIED STABILIZATION FUNDS				
<p>"To see if the Town will vote to create, rename or appropriate sums of money to and from Stabilization Funds in accordance with Section 5B of Chapter 40 of the Massachusetts General Laws for the purposes of: (a) Section 135 Zoning By-Law, (b) Traffic Mitigation, (c) Transportation Demand Management/Public Transportation, (d) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District, (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto."</p>				
Warrant		Town Meeting (ATM=Annual; STM=Special)		Capital Related
Sequence	Name	Created	Purpose	
(a)	Section 135 Zoning By-Law	2007 ATM, Art 39	"for the purpose of financing public improvements pursuant to Section 135 of the Code of Lexington"	Yes
(b)	Traffic Mitigation	2007 ATM, Art 39	"for the purpose of financing traffic mitigation projects pursuant to conditions of special permits issue by the Town"	Yes
(c)	Transportation Demand Management/Public Transportation	2007 ATM, Art 39	"for the purpose of supporting the operations of Lexpress Bus Service"	No
(d)	School Bus Transportation	2007 ATM, Art 39	"for the purpose of supporting transportation of students to and from school on a daily basis"	No
(e)	Special Education	2008 ATM, Art 24	None stated when created, but Appropriation Committee Report to that Town Meeting says "for setting aside reserves to help cover unexpected out-of-district Special Education expenses that exceed budget"	No
(f)	Center Improvement District	2009 ATM, Art 25	"to fund needed improvements in Lexington Center"	Yes
(g)	Debt Service	2009 ATM, Art 26	"for the purpose of paying a portion of the debt service on certain outstanding bonds of the Town issued for the purpose of the Diamond Middle School, Clarke Middle School and High School construction projects"	Yes
(h)	Transportation Management Overlay District	2011 ATM, Art 20	"for the purpose of financing transportation infrastructure improvements per Section 135-43C of the Code of the Town of Lexington"	Yes
(i)	Avalon Bay School Enrollment Mitigation Fund	2011 ATM, Art 20	"to mitigate the cost of students attending the Lexington Public Schools who reside at Avalon Bay"	No
(j)	Capital	2012 STM 19 Nov, Art 3, & renamed under 2015 ATM, Art 26e	Originally name "Capital Projects/Debt Service Reserve/Building Renewal Fund"; purposes remained the same when renamed	Yes

Prepared 13 Jan 2016 by David G. Kanter, Vice-Chair & Clerk, Lexington Capital Expenditures Committee