

Minutes
Lincoln Finance Committee
April 25, 2016
7:30 p.m.

Present: Jeff Birchby, Gina Halsted, Eric Harris, Jim Hutchinson, Peyton Marshall (chair), Laura Sander, and Andy Payne.

Also in attendance: Town Finance Director, Colleen Wilkins.

The meeting was called to order at 7:30 p.m. in the Town Offices, Second Floor Meeting Room.

As the first order of business, the Committee welcomed Mr. Payne into its ranks.

As the next order of business, Mr. Marshall led a discussion of the Town's Audited Financial Statements of June 30, 2015. The first topic was the status of funding of the Pension Plan. Ms. Wilkins informed the committee that the Town's annual contribution to the Plan was based on the Net ARC amount, as required by law, so that the Plan would be fully funded by 2035. She also noted the full amount of Other Postemployment Benefits (OPEB) liability would hit the Town's balance sheet in 2018 as compared to the current gradual increase.

There ensued a discussion of who looked at the financial statements, and Ms. Wilkins said that the rating agencies and banks certainly used the statements to assess the town's financial situation. The Selectmen also get a copy of the statements, and occasionally a town resident asks for a copy.

There was some discussion of whether the Committee needed to act on the financial statements, and it was agreed that, although the Committee does not need to act on the statements, it could certainly notice something of concern and make suggestions to the Town or the Selectmen regarding the statements.

Ms. Wilkins mentioned an increased issue of cyber security in the Town, and efforts to ensure the safety of the Town's information.

As the next order of business, the Committee discussed the information provided by Ms. Wilkins regarding the actual vs budgeted amounts for the Town over the past five years, with an eye towards understanding the larger discrepancies there. On the revenue side, Ms. Wilkins informed the Committee that the Town is very conservative about estimated new construction revenue, which often causes the Local Revenue line item to be higher than budgeted. This line item is also adjusted by the Town to keep the total budget steady at the levy limit. There was then a discussion of the perennial issue of free cash growing – a nice problem to have – and how this could be “cleared out” by a one-time capital project, which would have to be approved at Town Meeting. Finally, Ms. Wilkins explained the actual expense has been lower than budgeted for Pension & Insurance due to the Town's ongoing efforts to reduce insurance costs and the difficulty of predicting it due to the billing cycle being different than the Town's fiscal year.

As the next order of business, the Committee discussed the benefit of accepting the provisions of the Municipal Relief Act, and Ms. Sander made the following motion:

Move to accept the provisions of the Municipal Relief Act (Ch.44§33B) for fiscal year 2016, authorizing the Finance Director/Town Accountant to make year-end transfers.

Which was duly seconded and approved unanimously by the Committee.

As the next order of business, Ms. Wilkins informed the Committee that two likely reserve fund transfer requests, for the fire department overtime and for Public Safety dispatch overtime, were not yet finalized but were likely to be in the range of \$60k, and that the Town currently did not expect to need a reserve fund transfer for snow and ice this year.

After a motion duly made and seconded, the Committee voted unanimously to approve a reserve fund transfer of \$53,319 to fund the cost of the Town's agreement with the Town of Bedford for FY 16 for providing education to three high school age students of military retirees living at Hanscom Air Force Base.

As the next order of business, Mr. Marshall asked the Committee to consider their Liaison assignments for the coming year, and to come back to him with any requests for changes, or in the case of Mr. Payne, to let us know which assignments he might be interested in undertaking.

After a motion duly made and seconded, the Committee reviewed and approved the minutes of the meeting held on April 4, 2016.

The next meeting of the Committee was set for May 23, 2016, to which the Library would be invited to attend, as well as the DPW, if they had an annual report to discuss with the Committee.

The Committee also discussed 9/24 and 10/15 as possible dates for our annual Potluck Dinner.

There being no further business, the meeting was adjourned at 8:50 p.m.

Submitted by: Jim Hutchinson

Approved: 5/23/16