

Minutes  
Lincoln Finance Committee  
Town Offices Donaldson Meeting Room  
May 3, 2018  
7:30 pm

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**Present:** Jeff Birchby, Gina Halsted, Jim Hutchinson (Chair), Andrew Payne (Vice Chair), Tom Sander, and Elisa Sartori

Also in attendance: Eric Harris (emeritus, and Fincom’s rep to CCPPDC), Colleen Wilkins, Town Finance Director; Tim Higgins, Town Administrator; Tim Christenfeld (School Building Committee “SBC”), Owen Beenhouwer (CCPPDC and liaison to SBC), Jennifer Glass (Selectman and SBC member), and other residents.

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Mr. Hutchinson chaired the meeting. He called the meeting to order at 7:30pm.

Mr. Hutchinson opened the meeting by discussing various strawman ideas for recommendations the Finance Committee might make regarding the Campus Projects. The first idea discussed was whether FinCom should recommend voting for at least one School Building concept. After discussion, various members suggested coming back to this idea later in the evening.

The Committee next discussed the general topic of what to say regarding the Community Center project, given that the Community Center Preliminary Planning and Design Committee (“CCPPDC”) has recommended holding off on bonding and construction of this project until after the school building project. An important topic here was the issue of when the Town might have the financial capacity to build the Community Center if an expensive school building project was approved.

The discussion then turned to the Massachusetts statutory 5% debt limit for the town, where there was general agreement that it was not fiscally prudent for the Town to ask for an extension of that limit, and that there were acceptable school building options that fit within the limit.

Mr. Sander moved: **FinCom recommends that the Town continue to operate within the current 5% statutory debt limit.** Ms. Sartori seconded, and the motion passed unanimously.

The Committee then looked at Capcom’s January 2018 list of projected future capital expenditures, and we discussed which ones might not be able to be deferred and thus argue for some “buffer” to be kept under the debt limit and/or Stabilization Fund for future needs. Ms. Wilkins noted that CPA debt still counts towards debt limit, even if bonded directly by CPA (like Wang property). Mr. Hutchinson opined that Town property acquisitions might be considered for setting a buffer amount, since they are often opportunities that cannot wait, while others questioned whether Fincom should presume to know community priorities. Two proposals were made regarding buffer amounts, but there was no general agreement on the exact formula, and all agreed that the Committee should do more “homework” on this issue and reconsider.

Next the Committee discussed whether it should recommend a particular budget for the school building project. After some discussion, the Committee agreed that the residents should decide what should be spent on this project, and the Fincom should stick to recommending the debt limit, possibly with some buffer amount to be determined.

Mr Hutchinson moved: **Fincom will not set a specific budget for the school building project.** Ms. Sartori seconded, and the motion passed unanimously.

The Committee next discussed whether it wanted to recommend (or not recommend) specific school building concepts. It was noted that the cost of the “Full Program Concept” was outside of the 5% debt limit, and thus implicitly was not being recommended by the Committee.

Discussion turned to the other end of the concepts, in particular, the “Repair Only” Concept R. Although some Committee members expressed a willingness to recommend against this option on a “value for money” basis, other members expressed the sentiment that judging value was rather subjective and perhaps should be left to residents.

Mr. Birchby and Mr. Payne suggested that the Fincom instead focus on helping residents understand the decomposition of concept costs, double check and vet SBC calculations and assumptions, and generally try to help residents with “nutrition labeling” type of information. They suggested endorsing SBC’s enrollment target of 660 students, but Mr. Hutchinson disagreed, citing a recent MAPC article showing a state-wide decline in school populations in suburban and rural areas due to younger couples having fewer kids, and wanting to live in town, with no clear end to this trend in sight.

The Committee next discussed what we could say regarding the size of the school, especially considering that it has a few elements that are not typically found in MSBA approved projects.

Mr. Hutchinson moved: **FinCom believes that the square footage per student of the school building designs is within the typical range for comparable schools in MA \*if\* we exclude the “preferred elements” present in some or all of the options, i.e. the auditorium, 2<sup>nd</sup> gym, hubs, and extra hallway space implicit in the L shaped designs. Fincom is aware that auditorium and 2<sup>nd</sup> gym have non-school/community uses that are needed in town.** The motion was seconded and approved unanimously.

The discussion next turned to construction costs, which have risen at a frustratingly high pace since the Town considered a project in 2012.

Mr. Sander moved: **Construction cost/sqft estimates used in concept cost estimates currently presented by SBC are consistent with prevailing MA school construction costs. Note that current construction costs are exclusive of escalation and soft costs.** Ms. Sartori seconded, and the motion was approved unanimously.

Mr. Payne moved: **Fincom does not recommend delaying project in hopes of more favorable construction costs.** Mr. Sander seconded, and after some discussion about the difficulty of predicting economic recessions, the lack of drop in construction costs in the 2008-2010 financial crisis, and the general sentiment of their being “no value in timing the market”, the motion was approved unanimously.

The committee then returned its discussion to the original idea of recommending that the Town “do something”.

Mr. Hutchinson moved: **It is more fiscally responsible to do a single project to address the needs of the school building than to do piecemeal repairs.** The motion was seconded and approved unanimously.

Finally, the Committee discussed how these recommendations should be written up and presented to the Town.

Mr. Payne moved: **Fincom delegates sole responsibility and editorial discretion for writing up and publishing Fincom recommendations to Mr. Hutchinson.** Mr. Birchby seconded, and the motion passed unanimously.

Mr. Payne moved: **Approve minutes from our meeting of March 22, 2018.** Ms. Halsted seconded, and the motion passed 5-0 with Ms. Sartori abstaining.

The meeting adjourned at 11:11pm.

Submitted by: Jim Hutchinson