

Minutes
Lincoln Finance Committee
Town Offices Donaldson Meeting Room
May 10, 2018
7:30 pm

Present: Elisa Sartori, Gina Halsted, Andrew Payne (Vice Chair) and Tom Sander

Present via Teleconference: Jeff Birchby and Jim Hutchinson (Chair)

Also in attendance: Colleen Wilkins, Town Finance Director; Tim Higgins, Town Administrator; Chris Fasciano and Kim Bodnar (members of the School Building Committee “SBC”), Owen Beenhouwer (Campus Coordination Group), Jennifer Glass (Selectman and SBC member), Eric Harris, and other residents.

Mr. Payne chaired the meeting. He called the meeting to order at 7:33pm, noting the required quorum of four members present in the conference room, with two committee members attending via teleconference.

Mr. Birchby provided a liaison report on the May 9 Capital Planning Committee (Capcom) meeting where school building options were discussed. He reported that Capcom had ruled out the “repair option” (option R), had recommended option L3 or C, and recommended a plan that can be adapted if town population changes. He also reported a potential future capital item that was not reported on the capcom slides from January 2018: a new roof for the existing DPW building (within 10yrs, estimated for 500-600k).

Mr. Payne then led a discussion regarding the town's debt limit, including how much debt reserve (“headroom” under the town’s debt limit) would be available over time under various school funding and bonding scenarios. The discussion included a review of the town’s equalized property value (EQV) history used to set the 5% debt limit and the new EQV certification expected in January 2019. Mr. Hutchinson then led a discussion of the town’s cash reserves (stabilization fund, etc.) that would potentially be available to fund campus projects.

The committee then discussed potential recommendations of maintaining a “buffer” under the debt limit, or in cash funds, or a combination of both.

It was moved that: The Finance Committee will not set a recommended buffer amount remaining under the Town debt limit plus available stabilization fund balance that would exceed \$5.2m. Therefore, using a combination of new debt plus Stabilization Fund balances, a \$97m school building project would be within the Finance Committee’s guidance.

The motion was seconded and discussed. The motion passed unanimously by roll call vote.

The committee then continued discussions regarding more specific potential “buffer” recommendations. The discussion included a preliminary review of other towns in the

Commonwealth operating close to the 5% statutory debt limit, and the unique challenges present in our situation: a very small town attempting a school project without any state aid. After lengthy discussion, no consensus was found on any specific formulas for setting a buffer amount.

The committee then discussed the newly formed DeCordova Working Group and the Selectmen's charge to that group.

It was moved to adjourn and seconded. The motion passed unanimously by roll call vote.

The committee adjourned at 9:39 pm

Submitted by: Andrew Payne

Approved: