

**Minutes
Lincoln Finance Committee**

**Virtual Meeting Pursuant to Governor Baker's March 12, 2020
Order Suspending Certain Provisions of the Open Meeting Law**

**May 11, 2020
7:30 pm**

Finance Committee (FinCom) Member Attendees: Andy Payne (Chair); Paul Blanchfield; Gina Halsted; Jim Hutchinson; Nancy Marshall; Tom Sander; Elisa Sartori

Others present: Kim Bodnar (SBC); Buck Creel (LPS Finance & Administration); Chris Fasciano (SBC Chair); Jennifer Glass (Town Select); Tim Higgins (Town Administrator); Becky McFall (LPS Superintendent); Tara Mitchell (SBC); Craig Nicholson (SBC); Colleen Wilkins (Finance Director); Bella Wong (LSRHS Superintendent and Principal)

1) Opening: The meeting was called to order at 7:34 PM.

2) Municipal Relief Act Memo: The Finance Director reviewed the Municipal Relief Act Memo that enables the Finance Director to make year-end budget transfers for relatively small amounts. There was some discussion as to the tracking and reporting of such changes.

There was a motion (Jim H) to “accept the provisions of the Municipal Relief Act (Ch.44§33B) for fiscal year 2020, authorizing the Finance Director / Town Accountant to make year-end transfers.” The motion was “seconded” (Nancy M) and passed unanimously by roll call.

3) Approval of Minutes from March 4, 2020: The Committee discussed various revisions to the March 4, 2020 Minutes.

There was a motion (Jim H) to approve the minutes as amended. The motion was “seconded” and passed unanimously by roll call with two abstentions (Paul B and Nancy M).

4) State of Town Finances: The Finance Director and Committee Chair reviewed the State of the Town Finances. The Committee discussed a) FY20 financial changes as a result of COVID-19 including expenditure freezes, local revenue estimates, state aid, and current reserve fund balance; b) FY21 budget assumptions prior to COVID-19 and resulting estimated adjustments; c) the process by which reserved funds are available in subsequent fiscal years; d) existing COVID-19 associated costs, including PPE, signage, and the Lincoln Board of Health expenditures; e) future revenue reductions expected as a result of COVID-19; and f) potential responses to address the anticipated financial situation.

5) Town Meeting Planning: The Committee Chair and Finance Director reviewed the proposed approach to Town Meeting. The Committee discussed a) the current legal requirements for a Town Meeting within 30 days of the end of the “state of emergency” in the Commonwealth as a result of a “signed” warrant; b) proposed legislation on Beacon Hill which could reduce the quorum required for Town Meeting; and c) potential Town Meeting scenarios.

6) SBC / School Building Discussion: The SBC Chair provided an update on the School Building Project. The Committee discussed a) the “COVID-19” clause that incorporates COVID-19 related costs within contingencies (Town and Consigli Construction) and caps the SBC’s overall COVID-19 exposure; b) that overall SBC costs remain as presented at the March Finance Committee meeting; c) potential additional contingencies are unlikely to impact FY21; d) potential sources and approaches to recommend funding estimated SBC expense overages; e) potential SBC “overage” decisions that require near-term decisions (i.e., pre-September) from the Town; f) role of OPEB and the option to reduce FY21 appropriation as a means to create more funding flexibility; g) consideration of the personal situations of the members of our community and timing of potential “asks”; h) considerations re SBC “asks” relative to timing; i) need for conservatism amidst the COVID-19 pandemic and consideration of future capital expenditures; j) the multiple sources of funding for the Town to consider including Free Cash (up to \$840K), OPEB appropriation

trade-off (up to \$550K), and / or stabilization (\$2.2 MM) and potential uses including the SBC, increases to stabilization or free-cash (i.e., general conservatism), and / or the radio project & other capital projects in the CapCom pipeline.

- 7) LSRHS E&D Discussion:** Bella Wong reviewed the state of the Excess and Deficiency (E&D) fund. The Committee discussed a) the need to request an affirmation of potential FY21 budget guidance in the event Town Meetings are not able to ratify FY21 budgets; b) the status of the Sudbury Town Meeting; c) the status of the new LSRHS football field; d) the status of the FY20 circuit breaker; and e) the proactive outreach to LSRHS to ensure they have appropriate resources to address unforeseen expenses associated with COVID-19.
- 8) Liaison Updates:** The Chair requested relevant Liaison updates. The Committee discussed a) the Pierce House has had to postpone or cancel upcoming events resulting in a shortfall in revenues vs. budget; and b) the water department bids for the Water Treatment Plant CIP project (approved at Town Meeting in 2019) came in over budget and contingencies and will require bringing back to TM in 2020 for approval; Water Board is looking at deferring some other capital projects and a lower-cost SCADA control project to help offset this overage.
- 9) Adjournment:** There was a motion (Tom S) to adjourn the meeting. The motion was “seconded” (Jim H) and passed unanimously at 10:08 pm by roll call.

Submitted by: Paul Blanchfield