

**Minutes
Lincoln Finance Committee**

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

**May 19, 2020
8:00 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); Becky McFall (LPS Superintendent); Tara Mitchell (SBC); Craig Nicholson (SBC); Colleen Wilkins (Finance Director); Susan Taylor, Audrey Kalmus (CapCom Chair), Tim Christenfeld (SBC)

Meeting commenced at 8:01pm.

School Building Committee Capital Requests

The Committee first discussed the School Building Committee capital requests for the planned June 13, 2020 Town Meeting. The BOS and the Town Moderator have decided that the Town Meeting will go ahead on June 13 even though Governor Baker did not lift the state of emergency in MA.

Chris Fasciano then reviewed the capital requests that the SBC expects to present at Town Meeting, consisting of seven high priority items totaling \$628,945 as well as an additional request for \$200,000 for FF+E. Six of the seven items have "decide by" dates specified by Consigli of Nov 1 or earlier, and thus need to be decided upon at the June 13 Town Meeting or else they will either likely never be done or will be materially more expensive. One small item on the list (concrete pad at CASE entrance for \$2,645) has a later "decide by" date but is small. Chris noted that 4 of the top priority items from an earlier list were NOT included in the current ask. Chris then further illustrated the details of the requested items. Finally, Chris discussed the status of the other capital requests that are currently being deferred, including \$418,094 of capital items and the \$755,958 remaining cost of FF+E, noting that SBC may pursue other funding sources such as CPA funds, or may ask for some of these items at a fall Town Meeting or another meeting at a later date.

Paul Blanchfield then presented an analysis of the requested items that characterized them based on the ability to delay the items and the decision timing, and found that all 7 of the items had decision timing of Dec 2020 or earlier, and "ability to delay" of "Delay with Cost" or "Now or Nothing". The Committee then asked various questions about how the \$200,000 of FF+E fit into this framework, and generally agreed it best fit in the Nov/Dec 2020 timing and "Delay with Cost" category.

Jim Hutchinson suggested approving \$628,945 for inclusion on the warrant, but Nancy Marshall and Elisa Sartori wanted to discuss overall budget picture first. Andy then reviewed the status of funding and covid-19 related budget impacts, and suggested that the Committee should recommend a Reserve Fund appropriation for COVID-19 of \$200,000, as discussed at our last meeting. This money would be able to be spent by Fincom based on requests from any Town Department, but not LSRHS.

Tom Sander expressed an interest in reducing the OPEB contribution so that the budget would have a higher unappropriated balance. Jim Hutchinson chimed in and reviewed the technical details of Fincom's OPEB policy and noted that based on our revised assumptions for lower revenue and higher nondiscretionary expenses relative to our March suggestions, there is "only" roughly \$1.4mil of Free Cash available before OPEB+Stabilization amounts, and thus 25% of that amount, or roughly \$350,000, was an allowable OPEB appropriation under our policy, rather than the \$550,000 we originally allocated back in March.

Tom then brought up the issue of when we should address the Public Safety radio project, and suggested it could be addressed in the fall after we had greater clarity about the Town's financial position and appetite for additional school project expenditures. Jim and Andy both agreed that a decision on the radio project could be deferred to the fall without any serious impact.

Colleen Wilkins reminded the Committee that there was one more additional source of funds in that the LSRHS capital requests have been reduced by \$21,519, and the Committee should decide on where to allocate that cash.

Decisions on the general budget issues were then delayed to try and first handle the SBC related requests.

Jim moved approving inclusion of a request of \$628,945 from Free Cash by SBC on the June 13, 2020 Town Meeting warrant. Gina seconded. Jim clarified that this motion just recommends putting the request on the warrant so that voters can decide the issue, and does not indicate whether or not the Committee is in favor of the warrant article. Roll call vote was all "AYE" except Elisa who voted "No". Passed 6-1.

Paul moved approving inclusion of a request of \$200,000 from Free Cash by SBC for school FF+E on the June 13, 2020 Town Meeting warrant. Jim seconded. Roll call vote was all "AYE" except Elisa and Nancy who voted "No". Passed 5-2.

Jennifer Glass asked the Committee if they would at some point take the additional step of having an opinion about these warrant articles, and Andy said this could be considered by the Committee. Jim asked the SBC if these articles might be combined into one ask for one dollar amount, since they are both coming from Free Cash, and was told this would be decided at the next SBC meeting.

General Budget Discussion

The Committee then went on to discuss other FY21 budget appropriations, including \$200,000 extra for Reserve Fund for COVID-19 expenses, reducing OPEB appropriation to \$350,000, an extra \$21,519 in budget due to reduced capital requests from LSRHS.

Jim moved that we reduce the recommended OPEB appropriation from \$550,000 to \$350,000. Tom seconded. Roll call vote "AYE" by all, approved 7-0.

Jim moved that we leave the approximately \$234,000 as unappropriated Free Cash. Gina seconded. Jim and Colleen noted this vote was probably not strictly necessary, since it is a vote to *not* appropriate money, but that it would be helpful for Colleen to record Fincom's intentions more clearly. Roll call vote "AYE" by all, approved 7-0.

Andy moved that we increase original Reserve Fund appropriation by \$200,000. Tom seconded. Elisa asked if we should earmark that money specifically for COVID-19 related expenses. Colleen Wilkins informed the Committee that this would be difficult to specify, and Andy suggested we leave the motion as-is. Roll call vote "AYE" by all, approved 7-0.

Town Meeting Preparation

Andy discussed what the Committee should present to the Town to prepare for the June 13 Town Meeting, including a presentation and a zoom session for the public, similar to our Annual Budget Hearing. Deliberation wouldn't happen in that session, but the goal would be for the Committee to answer all questions posed by residents. Timing is likely to be June 4 or 8 starting at 7:30pm, TBD.

The Committee discussed whether it should offer any opinion about the merits of the SBC requests, and there was a general consensus that we should at least offer "nutrition label" information about the requests, something like "the requests all fit into the FY21 budget from Free Cash without any borrowing needed this year". Andy offered to put together the exact language for that, and offered that the Committee could reconsider a fuller statement in a future meeting.

Andy informed the Committee that he would also have to include a cover letter on the financial warrant to explain the covid-19 related changes to the Budget relative to what was discussed in the previous warrant and Annual Budget Hearing.

Minutes

Andy moved that we approved amended minutes of May 11, 2020. Roll call vote "aye" by all, 7-0.

Adjournment

Tom moved we adjourn, Nancy seconded. Roll call vote "aye" by all, 7-0. At 10:16pm.

Submitted by: Jim Hutchinson