



**TOWN OF LINCOLN**  
MIDDLESEX COUNTY MASSACHUSETTS  
Lincoln Finance Committee

TOWN OF LINCOLN  
16 Lincoln Road  
Lincoln, MA 01773

Dear Lincoln Community;

Lincoln's financial response to the COVID19 health emergency began at the onset of the crisis and continues today as we respond to the changing economic landscape, and consider the implications of those changes on the FY2021 town budget.

Prior to the health crisis, the Lincoln Finance Committee developed an FY2021 budget within the constraints of Proposition 2½ as printed in the enclosed "FINANCIAL SECTION AND WARRANT FOR THE 2020 ANNUAL TOWN MEETING, LINCOLN MASSACHUSETTS" ("Fincom Report"), in preparation for March Annual Town Meeting.

As a result of the emergency, the Finance Committee is recommending a revised FY2021 budget. This budget is also within the constraints of Proposition 2½, however, certain revenue assumptions and appropriation amounts have been changed.

The following is a listing of changes, in order of appearance, since the printing of the Fincom Report. (Note: all page numbers refer to the printed report).

**1. Warrant articles:**

- a. All warrant articles have been renumbered; please see the revised warrant article listing included in this packet.
- b. All non-financial articles have been deferred to a future town meeting, date(s) to be determined.

**2. Revenues (page 4):**

- a. State Aid estimated revenue has been revised from a projected 3.4% increase, to a ~16% decrease, representing a projected decline of approximately \$500,000.

**3. Operating Expenditures (page 5) - now Article 6:**

- a. Table 1 (pages 55-65)
  - i. See "2020 Annual Town Meeting - Consent Calendar" in this packet.
  - ii. REVISED, Reserve Fund (page 60, line 11322): increase appropriation by \$200,000 to a new amount of \$753,111

**4. Capital Expenditures (page 8) - now Article 7:**

- a. REMOVED: LSRHS requests for a chain link fence for \$15,675 and aerial lift for \$5,844
- b. Public Safety Digital Radio System: deferred to a future town meeting, date(s) to be determined.
- c. School Building Committee (SBC): Fincom has recommended that up to \$828,945 of additional project funding be presented as a warrant for resident vote. For additional information, see the SBC material in this package.

**5. Other Post-Employment Benefits (OPEB) Liability (page 14) - now Article 14:**

- a. REVISED: Reduce appropriation by \$200,000 for a new amount of \$350,000

- b. Note: This proposed change from the original recommendation remains within the Finance Committee's OPEB policy given the latest revenue and expense projections.

**6. General Government (page 24):**

- a. DEFERRED: Bright Light Award (\$500) (was Article 11)

**7. Water Department capital requests (page 50) - now Article 22:**

- a. REMOVED: generator for \$10,000 and security camera upgrades for \$15,000
- b. REVISED: Reduce appropriation for PLC replacement project from \$125,000 down to \$45,000 and change scope to purchase spare hardware and reprogram to address most problematic issues of current SCADA system.
- c. ADDED: \$125,000 additional funds for Water Treatment Plant "Clean In Place" / Chemical Handling project, to cover higher than expected cost of the project based on actual contractor bids.
- d. The total capital request from the Water Department is now \$270,000.
- e. Water Commissioners may amend this article further at its June 5<sup>th</sup> meeting.

**8. Looking Forward (page 17):** New factors the Finance Committee and town finance staff are considering:

- a. Revenue uncertainties in state aid remain a concern; prior recession data show reductions in state aid over several fiscal years, taking several fiscal years to rebound.
- b. Indicators have changed to reflect declining economic conditions that caused the Finance Committee to revise its initial recommendations for capital requests.
- c. Unemployment claims are at an all-time high and will be an area of budget uncertainty in the coming year(s) for Lincoln.
- d. Interest rates remain low, however, the municipal bond market remains uncertain.
- e. As a result of Lincoln's commitment to building reserves to preserve financial capacity & flexibility, we are well-positioned to weather an economic downturn while maintaining our AAA credit rating.

The Finance Committee plans to hold an FY2021 town budget question and answer virtual (Zoom) meeting, approximately a week before the June 13 town meeting. When a date is finalized, we will post the details (lincoln-talk, Squirrel, town website, etc.).

We encourage all residents to attend that session with any budget-related questions, and to watch the committee's FY2021 budget hearing that took place on March 4, available here:

<https://lincolntv.viebit.com/player.php?hash=4hOhr8GNoXPr>

We hope this letter finds you all safe and healthy. Thank you for your patience and understanding during these challenging times.

The Lincoln Finance Committee