

**Minutes
Lincoln Finance Committee**

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

**April 27, 2021
7:30 pm**

Finance Committee (FinCom) Member Attendees: Andy Payne, Chair, Gina Halsted, Rich Rosenbaum, Deb Wallace, Tom Sander and Paul Blanchfield (Vice Chair).

Others present: Colleen Wilkins, Lincoln Finance Director

Introduction - The meeting was called to order by Chairman Andy Payne at 7:30pm. He noted the meeting was being held in accordance with Governor Baker's Order Suspending Certain Provisions of the Open Meeting Law and that the meeting was being recorded.

All Committee members introduced themselves.

Mr. Payne reviewed the agenda.

1. **COVID reimbursement & Reserve Fund update** – Colleen Wilkins reviewed the current status of expenses and funding availability for COVID-19 related expenses. CARES: \$599k, the town has claimed \$475k of that amount. Funding is available through December 2021. FEMA allotment: \$88k expense has been fully reimbursed. State grants for firefighters and election security have been fully expended. The School ESSER grants: \$20k, \$86k and \$170,300 respectively, are available through 2022, 2023, and 2024 respectively. COVID local stability funding is estimated at \$2M, with eligible expenses being more broad- housing, business revitalization, lost town revenues, with final guidance pending. Funds for stability are available through 2024. The Municipal funding through the CARES funding can apply to regional schools.

Accounting for the funds is separate from the general fund. The state allows them to go into deficit in order for reimbursement to level fund the claim. Budgeted funds are not eligible for reimbursement. Paul Blanchfield questioned whether there will be budget favorability due to all of the eligible funding for reimbursement for the next few fiscal years. Lost local revenues will be a focus, vis-à-vis Pierce House and Parks and Rec. Unforeseen expenses may also be eligible.

Reserve fund updates were also reviewed by Colleen. The DPW Hook Truck, a front line snow and ice vehicle, is a new issue, due to mechanical failure, at a cost of \$110k. CapCom has reviewed the cost, it was on the FY21 Capital Plan and not put onto their list of priorities at the time. The mechanical failure has provoked more

immediate need. All areas of need for reserve fund transfer are within the reserve fund available funds, with \$273K projected to come back to the town at this time.

2. **Town meeting planning** – Andy shared slides relating to the Lincoln Town meeting, scheduled for May 15 in the Hartwell parking lot. The FinCom will formally present the budget hearing tonight and review the slides for Town Meeting. As with last year, the presentation and slides will be posted for Town review this week to streamline Town Meeting questions and comments. May 6, the Town Meeting Packet will be mailed to all Lincoln households. May 11 there will be another FinCom meeting with a Q&A opportunity for residents to respond to the slides prior to Town Meeting, and May 15 Town Meeting.

Andy sent the email to residents from 2020 to the FinCom and proposed a similar format to the FinCom for 2021. He solicited feedback from the FinCom now or following the budget hearing slides.

Town Meeting will be abbreviated as with 2020, with town committee members seated in the audience, Chairs and Town Officials at the front.

3. **Budget Hearing** - Andy reviewed the slide presentation with the FinCom. Key points included:
 - Budget guideline of 2.5%, no operating override in 14 years, diligent attention to reserves, long-term liabilities and non-school capital needs.
 - Total budget of \$44,438,636 for FY22.
 - 40.4% of the town's costs are for education.
 - State aid will be reduced by 2% (estimate) for FY22.
 - Free Cash totals \$7.4M, with \$95k for preferred items and \$1.5M for Emergency Reserves intact.
 - The Tax levy funds 69.7% of the Town's operations.
 - FY22 considerations included a 2.5% guideline and pandemic specific issues to maintain level services would be heard. COVID-related expenses and reimbursements remained uncertain throughout the budget process season. Interest from unspent school bond proceeds and the FinCom's OPEB/Pension Liability approach to funding were additional factors in the budgeting considerations.
 - COVID Expenses (\$709,783) and Available Reimbursements (\$3,171,295) to date were reviewed.
 - As with FY21, the Reserve Fund recommendation is larger than typical FinCom policy. Reserve Fund monies are at the discretion of the Finance Committee

without the consent of Town Meeting. Minimum Policy is 1.3%, but given COVID uncertainty, the FinCom has opted for 1.7%. Unappropriated Free Cash is 3% of the FY22 budget.

- Recommended expenditures by the FinCom include: \$380k for Ladder 1 refurbishment, \$120k for School FF&E, \$1.825M for public safety radio project, \$95k for diversity/Septic Study/Town Office staffing.
- OPEB for the Town continues to be funded, as is the LSRHS OPEB fund.
- Lincoln Public Schools presented two budgets, their base budget for “normal” operations, and a second pandemic-contingent budget, the latter of which would exceed the 2.5% guideline by \$263k.
- Lincoln-Sudbury, the town will spend \$3.9M for our portion of operating expenses. LSRHS’s budget meets Lincoln’s budget guidance. Lincoln’s share of the LS budget has shifted slightly upward.
- Lincoln’s Vocational Technical Education obligation will be \$333k.
- Library will meet guidance.
- Capital expenditures for the Town will amount to \$741k for cash capital and maintenance items, and a further \$1.8M for the public safety radio system.
- Town Debt Service will amount to \$4.3M, the bulk of which will be for the school building project. The Town has maintained its AAA bond rating. CPA funds for the Town Office Renovation and Wang Property purchase will continue.
- The School Building Project update included private donations amounting to \$468k, \$2.5M of the initial \$4M contingency remains, and up to \$8M remaining will be bonded in the first half of **calendar** 2022.

Comments from Committee members included a request to further clarify that there is no override and no use of stabilization for FY22 to finance the requests included in the warrant. Andy went slide-by-slide requesting comments. He also has available comparable rates of annual tax growth and average family tax bill with neighboring towns, should they be requested.

4. **Liaison updates** – There were none
5. **Other business** – Andy offered that there is a citizen’s petition for a Town Meeting update on the Community Center. The BOS has asked the FinCom to provide a financial update (i.e. the Town’s position relative to their debt limit at present), and within that the affordability of a new Community Center. Comments were offered to assure whatever response was neutral, that the legal limit for town borrowing for all capital projects can be reviewed, but that the FinCom not advocate any position for spending, given no formal proposal for a Community Center is pending at present.

6. **Review and approve minutes from March 18, 2021 meeting** – Edits were reviewed by Andy. On a motion from Rich Rosenbaum, seconded by Tom Sander, the motion was passed by alphabetical roll call vote with all in approval bar one abstention due to absence from the meeting.

7. Adjourn – on a motion from Tom Sander, seconded by Rich Rosenbaum, the meeting was adjourned by unanimous roll call vote.

Respectfully submitted,

Nancy Marshall

Video recording: https://www.youtube.com/watch?v=OwAhmEIJxII&ab_channel=payneorg