

**Minutes
Lincoln Finance Committee**

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

**September 29, 2021
7:30 pm**

Finance Committee (FinCom) Member Attendees: Andrew Payne (Chair); Paul Blanchfield (Vice-Chair); Gina Halsted; Fuat Koro; Nancy Marshall; Rich Rosenbaum; Ellen Meyer Shorb

Others present: Colleen Wilkins (Finance Director); Jennifer Glass (Select Board); Kim Bodnar; Buckner Creel; Chris Fasciano; Jim Hutchinson; Becky McFall; Tara Mitchell; Mary Ellen Normen; Amanda Sawyer; Susan Taylor; Steve Bana (Consigli); Christopher Kavanaugh (Consigli)

Introduction

Mr. Payne called the meeting to order at approximately 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 welcomed the two new members of the board, Fuat Koro and Ellen Meyer Shorb.

Mr. Payne reviewed the agenda.

Election of Chair and Vice-Chair

Mr. Blanchfield moved that the committee elect Mr. Payne as Chair. The motion was seconded by Ms. Shorb. The motion was passed unanimously by roll call vote.

Mr. Payne moved that the committee elect Mr. Blanchfield as Vice-Chair. The motion was seconded by Mr. Rosenbaum. The motion was passed unanimously by roll call vote.

School Building Project Financial Update

Mr. Payne noted that given the size of the school building project it would be useful for the Finance Committee to understand the current financial status of the project and, as much as possible, its remaining financial risks, as well as the possibility of additional funding requests.

Before the School Committee reviewed the financial information, Mr. Fasciano gave an overview of the status of the project. He noted that the middle school is complete and the primary school construction is underway with completion planned for July, 2022.

Mr. Kavanaugh of Consigli provided an overview of the financial status of the school project focusing on the remaining financial risk. As of August, 2021, the project was 67% complete. Also as of August, \$2.4M of the original \$4.0M owner contingency budget was spent. It is currently expected, assuming no new unforeseen issues, that the final owner contingency spend will be fully spent.

Special Town Meeting Discussion

Mr. Payne noted that Lincoln often holds a State of the Town meeting each November and occasionally replaces this with a Special Town Meeting when circumstances warrant. The Select Board determines if a Special Town Meeting will be held. He noted that the Select Board has solicited input from town committees for three items that might become warrant articles for a special town meeting.

There are two school-related items:

- Hartwell C pod roof replacement
- Prepaying certain costs associated with the Power Purchase Agreement

The third item was:

- Additional library parapet repair appropriation

Hartwell C Pod Roof Replacement

The Hartwell C pod roof sustained significant damage when a tree fell on it in April, 2021. It also is over 30 years old while having a 20 year expected lifetime. The expected cost of the roof replacement is \$82,000. It was noted that there was \$88,000 in remaining funds from the earlier Hartwell building roof replacement that could cover this cost, however reallocation of these funds would require town approval since the funds were not originally approved for the C Pod roof.

Power Purchase Agreement

There is an opportunity to prepay approximately \$165,000 of the cost associated with the PPA Agreement for solar PV at the school. This would lower the expected cost of electricity purchased from the PPA provider by approximately \$371,264 over the 25-year term of the PPA resulting in a 9% per year rate of return on the prepayment. This prepayment would have to happen in early 2022 which is before the next regular town meeting.

Ms. Wilkins noted possible funding sources: the school operating budget, the reserve fund, the stabilization fund (requiring $\frac{2}{3}$ approval at town meeting), or free cash (requiring 50% approval at town meeting).

Mr. Hutchinson noted that this is not a “build / don’t build” decision - the equipment will be installed and the question is one of funding.

Library Parapet Repairs

Ms. Wilkins discussed the funding request. \$355,000 of CPA funds were originally allocated for the repairs at the May 2021 town meeting. Bids received in June 2021 exceeded this by approximately \$100,000. The library is seeking CPA funds to cover this additional cost.

Mr. Payne noted that the CPA funds are administered by the CPC and that FinCom input is not needed for this item. The committee agreed with Ms. Marshall noting this would mean that the library would be requesting CPA funds before other CPA-eligible requests are considered. She suggested that the library request be considered in the context of other CPA requests. Mr. Payne indicated he would pass this on to the CPC.

Hartwell C pod roof replacement discussion

Mr. Payne noted that allocating funds for the C Pod roof replacement would be budget neutral since there were sufficient funds left over from the Hartwell building roof replacement project but this would still need town approval since the original funding was specifically for the Hartwell building.

Mr. Payne noted that this item will be discussed at an upcoming CapCom meeting; Mr. Blanchfield suggested that FinCom wait for input from CapCom.

Mr. Creel noted that given the nature of the roof damage, it would be best if the repairs could be performed as soon as possible.

Mr. Blanchfield recommended that FinCom delegate the decision to CapCom while providing guidance regarding the amount. He moved that, subject to CapCom findings, FinCom supported using remaining funds from the Hartwell building roof replacement (\$88,000) for a C Pod roof replacement project. The motion was seconded by Mr. Payne. The motion passed unanimously by roll call vote.

Power Purchase Agreement (PPA)

The opportunity exists to lower the expected cost of electricity we will be obliged to purchase from the PPA provider by prepaying approximately \$165,000 of the cost associated with the PPA in January 2022. Mr. Payne summarized the issue: do we want to invest funds today to receive a 9% return over the next 25 years? He noted that this needs to be decided now because of the timing of the project and that there were four possible sources of funding: stabilization, free cash, reserve fund, and school OPEX.

After discussion, the consensus was that this is an appropriate use of funds. Mr. Blanchfield moved that we endorse expending \$165,000 to reduce the purchase cost of PV power to be sourced from either free cash or the stabilization fund. Mr. Payne seconded the motion. The motion passed unanimously by roll call vote.

FY23 Budget Process & Timeline

Mr. Payne provided an overview of the budget process and presented the calendar for the remaining meetings for the fiscal year.

CARES & ARPA Update

Ms. Wilkins provided an update on the CARES (Coronavirus Aid, Relief, and Economic Security Act) and ARPA (American Rescue Plan Act). Lincoln was allocated \$599,000 from the CARES Municipal Relief Fund and has used approximately \$500,000. Without preapproval, the deadline for spending the remainder is October 29. It is being determined if some of the remainder can be applied to COVID-related costs for the school construction.

Ms. Wilkins described the areas in which ARPA funds can be utilized and noted that discussions are underway to develop recommendations on the use of these funds.

Liaison assignments & updates

Due to the length of the meeting, Mr. Payne deferred most of the liaison discussion but listed the current assignments, highlighting the open positions (Community Preservation Committee, Pierce House, Water Board). Ms. Marshall noted that there is a new COVID/ARPA committee that would need a liaison.

Mr. Rosenbaum indicated that there would be a special CapCom meeting the following morning (9/30) focusing on the Hartwell C Pod roof replacement project.

Other business

No other business came before the committee.

Minutes

The Committee reviewed proposed edits for the draft minutes for the June 8, 2021 meeting. Mr. Rosenbaum moved to adopt the minutes as amended. Ms. Halsted seconded the motion. By roll call vote the motion was approved by all except for the abstention of the new members that were not present at that meeting: Mr. Koro and Ms. Shorb.

Closing

There being no other business, Mr. Blanchfield made a motion to adjourn the meeting. The motion was seconded by Mr. Rosenbaum. There was no discussion and the motion passed unanimously by roll call vote. The meeting was adjourned at approximately 9:50 pm.

Submitted by: Richard Rosenbaum

Video recording of the meeting: <https://www.youtube.com/watch?v=R2JUxv439R0>