

FINANCIAL SECTION AND WARRANT
FOR
THE 2023 ANNUAL TOWN MEETING
LINCOLN, MASSACHUSETTS



SATURDAY, MARCH 25, 2023
9:30 AM

DONALDSON AUDITORIUM

PLEASE read this document & bring it with you to the Meeting.



TOWN OF LINCOLN

MIDDLESEX COUNTY MASSACHUSETTS

Sarah Cannon Holden
Town Moderator

TOWN OFFICES
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To All Lincoln Registered Voters,

2023 Annual Town Meeting Overview

Town Meeting is on Saturday, March 25th in the DONALDSON AUDITORIUM at the Lincoln School. Lincoln has an Open Town Meeting form of government, meaning that all voters registered in Lincoln are automatically voting members of the Meeting. It is our opportunity and responsibility to come together to discuss and vote on town budgets and bylaws.

SCHEDULE: Doors open at 8:30 AM; meeting begins promptly at 9:30 AM.

Please arrive early so that you have time to check in and get settled. This Warrant Booklet contains important background materials about the Warrant Articles. We will proceed through the meeting as follows:

- **CONSENT CALENDAR:** 13 of the Articles will be considered together as part of the consent calendar. These are articles which we believe are non-controversial and that may be taken up with one vote. Voters have a right to “hold out” and item for individual consideration. It will then be considered in its original spot in the warrant listings.
- **FINANCE COMMITTEE REPORT:** The Finance Committee will give its report (see Table #1, **PAGE 59**) in preparation for consideration of the **OPERATING BUDGET** and **CAPITAL EXPENDITURES**.
- **BY-LAWS and OTHER ARTICLES:** After the budget-related items, the meeting will consider new bylaws and amendments to existing bylaws.

PRE-MEETING INFORMATION: In the weeks leading up to Town Meeting, all the Town Boards and Committees will provide the public the opportunity to learn in-depth background information about the Warrant Articles. These presentations will be live, recorded, and then posted on the Town web site: <http://www.lincolntown.org/1399/2023-Annual-Town-Meeting>.

We hope this process will answer voters’ questions and cut down the time for presentations at the Town Meeting.

PUBLIC HEALTH PROTOCOL:

- **AUDITORIUM:** Masking in the Auditorium is optional. If you are not feeling well, please take a Covid test in the morning before you attend the meeting. The Town has a supply of free Covid test kits available at Select Board Office, Bemis Hall, and the Public Safety Building.
- **REED GYM:** The gym will be open for masked and socially distanced participation. The gym will have a moderator so comments and voting can occur in coordination with the Auditorium.

GENERAL COMMENTS: All Lincoln registered voters are encouraged to attend Town Meeting, a unique New England experience of direct democracy. It is your chance to participate, to see your elected officials in action, and to be in community with others. Whether this is your first or fiftieth Town Meeting, welcome! We look forward to hearing your voice, and we hope that you will find a way to volunteer for one of the Town Boards or Committees. The Town depends on volunteers!

Voice Of The Electorate

TOWN ELECTIONS are on Monday, March 27th! There are several **contested elections** this year. Please exercise your right to vote in the Reed Gym at the Lincoln Schools.

An Outline of Town Meeting Procedures

You will find below a description of some basic Town Meeting procedures which govern the presentation, consideration and voting on matters which come before Town Meeting.

To arrive early is to arrive on time; we will begin promptly at 9:30!

Warrant Articles and Motions

- The Warrant is the official notice of the actions and their sponsors to come before Town Meeting. The Motion made at Town Meeting must reflect the essence or be within the “scope” of the Article printed here.
 - Example: A warrant Article proposes the purchase of a police cruiser for \$50,000. It would not be within the scope of the Article for the Motion to be to purchase a police cruiser and a fire engine for \$150,000. The Moderator determines if a motion or an amendment to a motion meets the “scope” requirement.
- Other than the Articles on the Consent Calendar (discussed below), the Articles in the Warrant will be taken up in order.
 - If there are two or more Articles which deal with the same or similar issues, sponsors of the Articles will often ask to make some general comments about all the related Articles before presenting the individual Motions under each one.
- If the sponsor of an Article decides not to go forward with it, there will be a motion to “pass over” the Article. **This requires a majority vote.**
- At the Meeting, please pick up the “*salmon-colored sheet*” which lists the proposed Motions to be made under each of the Articles. When the Article is called for presentation, the sponsor will make the Motion “as printed on the “Salmon Colored Sheet.” If there are any changes or refinements to the printed Motion, these will be noted. Once the motion is seconded, the sponsor will speak.
- Before an Article is open for general discussion and debate from the floor, other Town Boards may wish to speak.
- **To Ask a Question or Make a Comment:** Please go to one of the standing microphones. When called upon please give your name before making your comment. Please keep your comments to no more than two minutes.
 - If you are not a resident, you need to request permission of the Moderator to speak.

Voting

- Most motions at Town Meeting require a **simple majority vote**.
- By statute or Town Bylaw, some motions require a **2/3 majority vote**, for example:
 - Motions to amend the Zoning Bylaws
 - Votes to approve bonds or other types of funding mechanisms
- Registered voters will receive a voting card when checking in for the meeting.
- Voting is done first by voice vote, aided by the voting card.
 - If the Moderator is uncertain of the outcome, she will call for a standing vote.
 - If the vote is still unclear, there will be a count take by tellers appointed by the Moderator.
 - The Moderator’s determination of the results is final, unless seven voters stand and challenge the determination, in which event a count will be made.

Amendments to the Motions – simple majority vote required

- Amendments to a Motion may be made if they fall within the scope of the Article, as discussed above.
 - If someone wishes to make an amendment, they should write it down on an amendment form that can be found on the tables in the center of the Auditorium. When ready, go to a microphone. It is not necessary to have a carefully worded amendment in advance; the Moderator and Town Counsel can help.
 - A proposed amendment must be seconded before it is open to discussion.
- After discussion, the Meeting first votes on the Amendment. If the Amendment is approved, the Meeting then discusses and votes on the Main Motion *as amended*. Amendments to an amendment can also be made following the same procedure.

Calling the Question – 2/3 majority vote required

- After a full airing of questions and concerns someone may rise to “Call the Question.”
- ***The speaker may not make a statement or ask a question before calling the question.***
- All debate stops and a vote will be taken on whether to cut off debate and vote on the Article.
- If passed, debate ends and a vote on the Main Motion is taken.

Procedures for Voting on the Budget – simple majority vote required

- The Budget (See Table 1, page 59), as printed in this booklet, is presented by the Finance Committee.
- Following the presentation, the Moderator will go through the Budget line by line and ask if anyone wishes to “hold out” any line item for further discussion or amendment.
- To hold a budget item out, raise your hand and identify the budget line item number of concern.
- The rest of the Budget (excluding the items held out) will be voted on without further discussion. The Meeting will then turn to discuss items held out and take separate votes. The Moderator will typically return to the person holding out each item to begin the discussion.

Consent Calendar – simple majority vote required

- Pursuant to the Town’s Bylaws, the Moderator may designate certain Articles to be placed on the Consent Calendar.
- These items are considered routine, non-controversial, and not expected to generate discussion or opposition. Only items requiring a simple majority may be on the Consent Calendar.
- The Motions to be made under each Article are listed on the *green* Consent Calendar which is included in this mailing.
- When the Meeting reaches the first of these Articles, the entire Consent Calendar will be considered. The Moderator will read the list of Articles to determine if anyone wants to hold one out. Any individual voter may do so by calling out the Article to be held out, in which event it will be taken up in the normal manner in its regular sequence on the Warrant.
- The remaining Motions will be adopted with a single vote. This procedure expedites the conduct of the business of the Meeting.

Participation.

Citizen engagement is vital in making Town Meeting an effective form of government. Please do not hesitate to ask questions or to express opinions or concerns!

REPORT
of the
FINANCE COMMITTEE
of the
TOWN OF LINCOLN
for the
FISCAL YEAR
JULY 1, 2023 - JUNE 30, 2024

LINCOLN FINANCE COMMITTEE

Paul Blanchfield, Vice Chair

Gina Halsted

Fuat Koro

Nancy Marshall

Andrew Payne, Chair

Rich Rosenbaum

Ellen Meyer Shorb

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1. Introduction

The Finance Committee is charged with advising and making recommendations to Town Meeting on the budget, capital projects and other areas of finance, as well as administering the Town's Reserve Fund. The committee seeks to develop an overall budget that is fiscally prudent, that reflects the Town's values, and that meets the needs of residents. It also seeks to obtain broad public understanding and support for the budget that it recommends at Town Meeting.

In this report, we describe the FY24 budget and its component parts, including supporting detail, and outline issues facing the Town that underlie our budget recommendations. The Finance Committee works closely with many boards and committees to build the recommended budget. Among many others, we thank Lincoln Town Administrator Tim Higgins, Finance Director & Town Accountant Colleen Wilkins, former and current Lincoln Public Schools Administrators for Business and Finance Buck Creel and Mary Ellen Normen, Lincoln-Sudbury Regional High School Business Manager Kirsteen Patterson, Library Director Barbara Myles and Capital Planning Committee Chair Audrey Kalmus.

Executive summaries of the Annual Town Reports are included in the respective department or agency section below. The full version of the reports can be found on the websites of the participating departments and agencies.

2. Overview

For FY24, the Finance Committee is recommending a base budget of \$46,405,868 which includes \$4,759,169 in debt service for the school building project approved by residents in December 2018. In recognition of the tax burden imposed by the school building project and revenue risks, the Finance Committee established a modest budget increase guideline of 2.5%.

In addition, the Committee recommends funding two items in excess of guidance in the General Government budget: an additional \$13,000 in the Town Clerk Department's budget to support early voting requirements, and \$60,000 respond to inflationary pressure in gas and electricity, and to allow town to contract for greener sourcing for electricity in our buildings. Also, the Lincoln Public Schools have submitted a preliminary budget with several items in excess of guidance, but due to (a) ongoing negotiations with the teacher's contract, and (b) the hiring of a new Superintendent, that budget has not been finalized at the time of this printing. A final budget will be available no later than Town Meeting. For more details, see the Lincoln Public Schools section of this report.

The Town continues to benefit from the strong financial position that it established before the 2008 recession, strong cooperation from town employees in contract negotiations, changes in health insurance providers and plan design changes, and for the sixteenth year in a row, the operating budget can be funded without an override.

For FY24, the property taxes on the median value house (assessed value of \$1,259,800) will increase by about \$422 (2.41%) with the proposed budget. This figure assumes the application of CPA funds to the payment of Town Offices debt (included in Warrant Article 10), which represents

a reduction of .9% (\$149). Note: individual property owners who have undertaken construction or made improvements to their properties may see an additional increase in their taxes.

The Town budget is based on projections and assumptions which reflect local needs and available funds in the context of the economic and political conditions of Massachusetts and the United States. The budget is heavily dependent on real estate taxes (the tax levy and excluded debt). In FY01, real estate taxes (tax levy plus excluded debt) accounted for 68% of revenue. For FY24, real estate taxes are projected to account for about 79% of revenue. The Town has a small number of commercial properties and relatively few opportunities to increase local revenues. Although the FY24 state budget is not yet finalized, the Town's FY24 budget assumes that net state aid will increase by 17.9% relative to FY23 to \$2,700,920.

The Finance Committee builds the budget by reviewing available funds and revenue projections and setting aside funds for fixed costs, such as pensions, insurance and debt service. This process, which the committee calls a "funds available analysis," results in a budget guideline for the base budget. Last fall, the committee set the base budget guideline at 2.5%, based on tax impact concerns from the school project debt, pandemic uncertainties, results of FY22, and assumptions considered reasonable at that time. All departments and committees were very cognizant of the tax impact of the school project, the uncertainty due to the pandemic, and the need for compliance with the budget guideline.

In addition to the operating budget (Warrant Article 7) and the cash capital budget (Warrant Article 8), Town Meeting will consider maintenance articles and other appropriations (Warrant Articles 11 and 12). The Finance Committee is also recommending a significant increase in the Stabilization Fund balance in FY24 (Warrant Article 14) as a means to smooth the tax impact of expected capital expenditures in the coming years. The Finance Committee believes that the Town should make an ongoing commitment to address its liability for retiree health care benefits and is recommending contributions to trust funds that support the funding of these liabilities (Warrant Articles 16 and 17). The Finance Committee takes these other appropriations into account when determining the funds available for the operating and capital budgets.

The Finance Committee places a high priority on maintaining adequate Emergency Reserves. Emergency Reserves allow unforeseen changes in revenues or needed expenditures to be addressed without undue disruption of ongoing activities. The committee's goal is to set aside an amount equal to 3 to 5% of the prior year's General Fund budget as Emergency Reserves (the General Fund budget is the Town operating budget as shown in the P&L-based presentation of Revenues and Expenditures on page 9). The Finance Committee defines Emergency Reserves as unspent certified Free Cash, plus no more than half of the Reserve Fund, and the full amount of any Stabilization Funds. It is desirable that a 3% minimum Emergency Reserve be set aside entirely from unspent certified Free Cash.

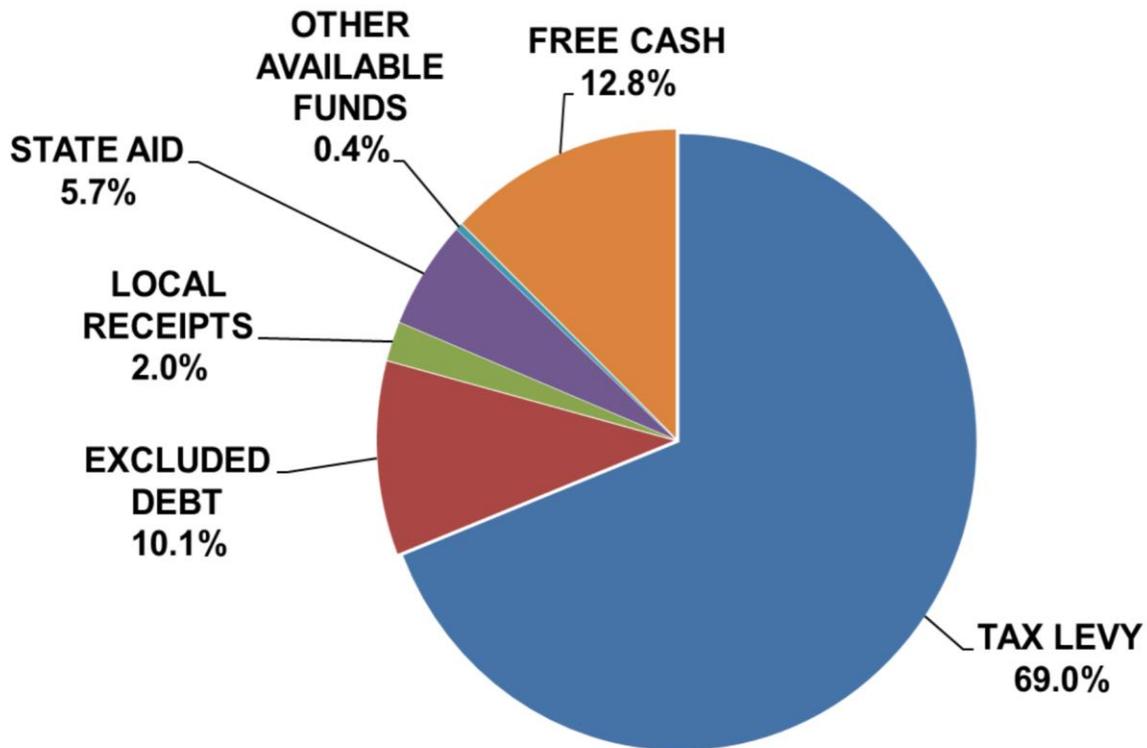
Following many years in which the financial reserves were well below the 3% minimum, the Finance Committee recommended that the Town work to rebuild its financial reserves. Since FY08, targeted minimum reserves (also known as "unspent certified Free Cash") have been set at 3% of the General Fund budget for that year (including capital and other articles). The budget proposed for FY24 would maintain the financial reserve at no less than 3%.

The committee also recognizes the importance of maintaining the Town’s favorable bond rating. Thanks to the Town’s ongoing prudent financial management, commitment to maintenance of adequate cash reserves, and recent efforts to formalize financial management policies, the Town was able to retain its AAA bond rating (the best rating possible) from S&P in March 2022, despite the impact of the large school project debt exclusion approved in December 2018. This rating enhances the Town’s financial flexibility and allows borrowing at the lowest possible interest rates.

3. Revenues

Total Town revenues for FY24 are projected at \$47,465,511 (excluding Water Department revenues), a 2.7% increase compared to FY23. Revenue from state aid is projected to increase 17.9% from the initial FY23 projection, while local receipts are anticipated to increase by 1.7%. The chart below shows revenue categories and the percentages of total revenue that they represent.

Revenues by Category: FY'24



Proposition 2 ½ allows towns to raise the real estate tax levy by 2.5% per year without an override. The tax levy may also increase because of taxes attributable to new construction. For FY24, real estate taxes are projected to account for about 70% of revenue. Compared to FY23, real estate tax revenues are projected to increase by \$902,865. This projection assumes CPA funds are used to service town office debt, an increase within the Proposition 2 ½ limit, a decrease from debt service

and capital exclusions previously approved (including the school project), and a significantly lower amount of new construction relative to prior years.

Additional property tax revenues may be raised through debt exclusion, following approval by a two-thirds vote at Town Meeting and a majority vote at the Town Election. Excluded debt includes property tax revenues that pay for such Town debt (for example, the school project, new trucks, new buildings or major repairs to roads or existing buildings) as well as the Lincoln portion of the principal and interest payments on debt for the Lincoln-Sudbury Regional School District. When payment is complete, the debt is retired and the property tax to fund the project is no longer collected. In FY24, excluded debt (from prior-year votes) is projected to represent 10% of revenues.

The application of Free Cash is projected to provide 12.8% of FY24 revenue. In October 2022, the Department of Revenue certified Free Cash for the Town from FY22 at \$8,178,537. This represented a 3.4% increase from the amount certified in October 2021. The FY23 budget targets Free Cash as part of Emergency Reserves at year-end of \$2,117,821. This is the major component of the Town's Emergency Reserves. Major contributors to the FY22 Free Cash balance were: (1) a turn back from the Lincoln Schools and savings in health insurance, (2) receipts in excess of budget, such as for motor vehicle excise and licenses and permits, and (3) turnback from the Finance Committee's Reserve Fund¹. The Free Cash balance is a major contributor to the Finance Committee's ability to propose a budget that can be funded without an operating override.

Local receipts, which include excise taxes, rental fees, license and permit fees, investment income, cell tower income, and other fee income, such as parking, recreation and ambulance fees, are projected to provide 2.0% of revenue in FY24, comparable to FY23.

State aid, which includes Chapter 70 (education reform) funds, lottery, and other assistance, is projected to provide 5.7% of revenue in FY24, compared to 5% in FY23. Actual state aid is not yet known, as the state budget is determined after the Town budget, but it is projected to increase by about 5.6% relative to FY23 to \$2,700,920.

If the actual amount is greater than budgeted, the difference will accrue to Free Cash. If the amount were to be lower than budgeted, the Town would first look to available Free Cash to make-up the difference.

Other available funds, which are projected to provide 0.4% of revenue in FY24, include miscellaneous items, such as payments from the Water Department and Hanscom Air Force Base for certain services provided by the Town. In general, the amounts received are offset by corresponding debits.

ARPA Funding

In addition to the regular revenue sources, the Town has been allocated up to \$2,108,000 in funding under the American Rescue Plan Act of 2021 ("ARPA"). Under ARPA regulations, the funds

¹ In recent years, the Reserve Fund has been funded at levels higher than policy due to COVID uncertainties.

must be spent by December 31, 2024, except in the case of construction projects that have a deadline of December, 2026.

The Select Board appointed a Working Group in the fall of 2021 to develop spending plan recommendations. The group began meeting in November 2021, developed a set of decision-making criteria to help evaluate proposals, and invited all departments and boards to submit formal applications.

The US Treasury has since issued its final ARPA rule which significantly expanded project eligibility criteria, and simplified accounting/reporting requirements. The Working Group is now confident that all of the applications submitted by departments and boards are ARPA-eligible. In the end, the decision-making criteria developed ended up being less critical since (1) the Final Rule had the effect of making all of proposed uses eligible, (2) the Working Group determined that all of the proposals were well-thought out and worthwhile, and (3) the total amount requested was less than our total \$2 million allocation. The Working Group has remained mindful of the fact that ARPA is a one-time revenue and any uses that will necessitate ongoing funding commitments will be carefully considered.

In 2022, the Working Group recommended and the Select Board approved, \$1,768,558 of “Round 1” distributions for approximately a dozen different projects, summarized in the table below. In addition, as of this writing (mid-February 2023), the Working Group is *recommending* an additional \$339,442 for “Round 2 Project Distributions” to the Select Board for approval.

American Rescue Plan Act (ARPA)		
Total ARPA Funding Received		\$2,108,000
Project Requests- Phase 1	Sponsor	Amount
ARPA Unallocated Funding/COVID Response Contingency	All	91,567
Restore Parks & Trails	Conservation	6,823
Water Storage Tank -Bedford Rd	Water	500,000
Water Distribution Repairs	Water	200,000
Water -Well Replacement -Tower Rd	Water	600,000
School Retention & Incentive Pay -Food Service Employees	School	21,441
School Faculty Residency -Antiracism Inclusion Diversity & Equity (AIDE) & Deeper Learning Coach	School	71,999
Emergency Assistance Fund- Housing Grants	COA	43,500
Mental Health Clinics	COA	12,000
Social Worker	COA	106,228
IDEA Consultant	Select Board	100,000
LSRHS Ventilation System Improvement	LSRHS	15,000
Total Round 1 Project Distributions		1,768,558
Total Amount Available for Round 2 Distribution		339,442
Project Requests-Phase 2	Sponsor	Amount
Lincoln School Security Cameras	School	130,353
Water SCADA Upgrade Phase 1	Water	99,430
Water SCADA Upgrade Phase 2 (partial funding)	Water	45,159
Bicycle & Pedestrian Advisory Committee- Engineering	BPAC Committee	44,000
Trail Restoration & Infrastructure Improvements	Conservation	12,000
Information Technology Hybrid Meeting Equipment	Select Board	8,500
Total Round 2 Project Distributions		339,442
Total ARPA Funding Distributions		\$2,108,000

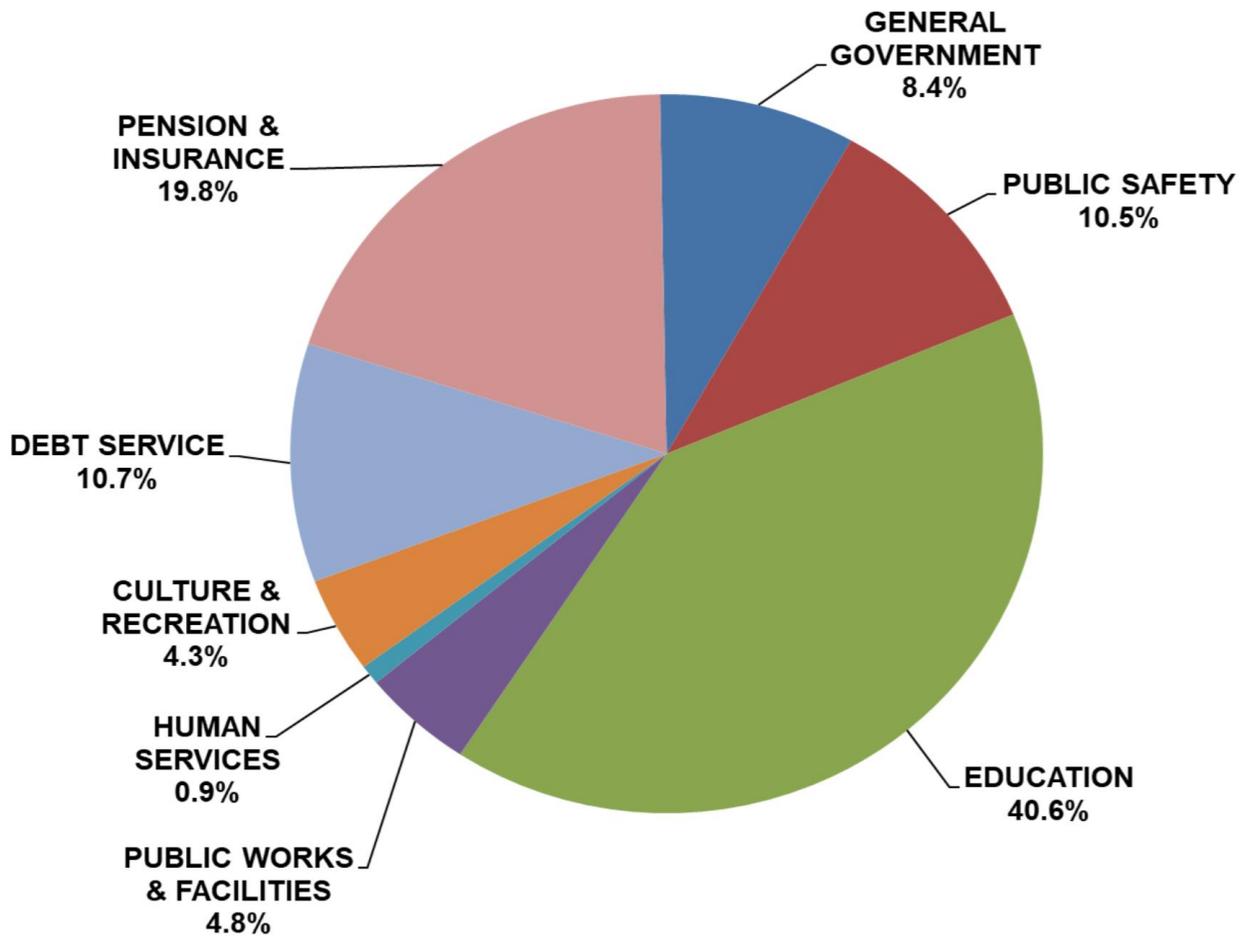
4. Operating Expenditures

Total Town operating expenditures consist of both the General Fund and the Water Enterprise Fund. The Water Department’s operating budget (\$2,049,390 for FY24) is funded entirely through fees paid by water consumers. The General Fund budget includes all other operating expenditures.

The proposed FY24 budget is \$46,405,868. The General Fund total is \$44,356,478 exclusive of capital items and other articles.

The following chart shows the breakdown of expenditures by category (excluding Water Department expenditures). Education is the largest component, representing 40.6% of General Fund expenditures. This includes the Lincoln Public Schools, Lincoln-Sudbury Regional High School and expenditures for vocational technical high school students. For high school expenditures, the education component includes all costs to Lincoln, including debt service, pensions and insurance. For the Lincoln Public Schools, debt service, pensions and insurance are *not* included in the education component; they are part of the Town expenditures for these items.

Expenditures by Category: FY'24



The growth in the appropriated budget for the Lincoln Public Schools, exclusive of pensions and insurance, is not yet known, as the budget has not been finalized. For more information, please see page 24. The budget for Lincoln-Sudbury Regional High School is shared between Lincoln and Sudbury; it reflects a two-part formula that incorporates relative wealth between the two towns and a three-year rolling average of the number of students enrolled from each town. The FY24 ratios are 12.6% for Lincoln and 87.4% for Sudbury, nearly unchanged from FY23. While Lincoln’s portion of the high school’s operating budget is based on the budget presented by Lincoln-Sudbury Regional High School to the Finance Committee, Lincoln’s assessment may be

less than the recommended appropriation or less than the budget guideline due to factors discussed below (see the “Lincoln-Sudbury Regional High School” section below). Any excess appropriation amounts for Lincoln-Sudbury Regional High School are added to the Town’s Stabilization Fund.

The General Government budget in FY24 is down slightly from FY23. The growth in the Public Safety budget is 2.7%. Pensions and Insurance expenditures for FY24 are projected at \$8,768,467, a 4% increase over FY23. Pensions and Insurance represent approximately 19.8% of General Fund expenditures.

Debt service for FY24, excluding debt service for Lincoln-Sudbury Regional High School and after application of the proposed CPC offset, is \$4,759,169 representing a very slight decrease versus FY23. About 90% of the Town’s debt service is for the school building debt, bonded in February 2019, with the second tranche issued in March 2022 and payments starting in September 2022.

The categories of operating expenditures are covered in more detail in the departmental budget sections of this report.

A P&L-based presentation of Revenues and Expenditures for FY24 compared to FY23 follows:

Town of Lincoln				
FY2024 Proposed Budget				
	FY2023	FY2024	\$ change	% change
REVENUE				
TAX LEVY	31,853,030	32,755,895	902,865	
EXCLUDED DEBT	4,804,617	4,812,952	8,335	
LOCAL RECEIPTS	785,651	968,796	183,145	
STATE AID	2,289,950	2,700,920	410,970	
OTHER AVAILABLE FUNDS	166,947	166,947	-	
FREE CASH	6,331,000	6,060,000	(271,000)	
TOTAL REVENUE	46,231,195	47,465,511	1,234,316	2.7%
EXPENDITURES				
GENERAL GOVERNMENT	3,760,661	3,739,266	(21,395)	
PUBLIC SAFETY	4,538,920	4,661,991	123,071	
EDUCATION				
<i>Lincoln K-8 School</i>	12,655,921	13,355,422	699,501	
<i>Lincoln Sudbury High School</i>	4,167,628	4,292,657	125,029	
<i>Vocational School Assessment(s)</i>	342,346	350,905	8,559	
PUBLIC WORKS & FACILITIES	2,120,882	2,120,071	(811)	
HUMAN SERVICES	352,828	389,730	36,902	
CULTURE & RECREATION	1,856,533	1,918,800	62,267	
DEBT SERVICE	4,760,813	4,759,169	(1,644)	
PENSIONS & INSURANCE	8,433,422	8,768,467	335,045	
CAPITAL PLAN	1,325,960	800,292	(525,668)	
STABILIZATION FUND	1,123,437	1,444,593	321,156	
WARRANT ARTICLES	791,844	864,148	72,304	
TOTAL EXPENDITURES	46,231,195	47,465,511	1,234,316	2.7%

5. Capital Expenditures

The Capital Committee (CapCom) and the Finance Committee work collaboratively to enhance the Town’s capacity to identify, prioritize, and understand the financial implications of capital projects and land acquisitions. The CapCom composition and charter were revised at the March 2012 Town Meeting. The committee is composed of 9 members: 5 At-Large Members, 3 of whom are appointed by the Select Board and 2 of whom are appointed by the Moderator; and 4 Representative Members, consisting of 1 appointed by and from each of the Select Board, the School Committee, the Conservation Commission, and the Library Board.

The CapCom reviews all requests for equipment and facility and infrastructure construction or improvements with a life of 5 years or more and a value of at least \$10,000. It also reviews maintenance warrant articles. During the past year, the committee continued to look longer-term and updated its 5-year capital plan. The Finance Committee strongly believes that timely

maintenance, combined with a comprehensive understanding of the Town’s assets, is the best way to protect the Town’s investment in capital infrastructure. All proposed capital expenditures are also assessed to determine whether they might qualify for funding under the Community Preservation Act. Appropriate requests are referred to the Community Preservation Committee for review.

For FY24, the Finance Committee set budget guidelines of \$512,159 for capital expenditures and \$267,123 for the annual maintenance warrant articles, representing a 2.5% increase from the previous year.

Most approved capital expenditures are financed within the annual budget. Expensive items with a long useful life may be proposed for debt exclusion (bonding), which requires approval at Town Meeting and the Town Election. Bonding allows the Town to finance the purchase and spread the cost of capital items over several years, outside of the limitations of Proposition 2½.

The Capital Committee suggested the following disposition:

Recommended funding for cash capital:	\$661,376
Recommended funding for maintenance:	\$138,705

These recommendations represented a preferred budget and were in excess of initial guidelines by \$20,789. Variations from guidance often occur, as capital projects are lumpy by nature. The preferred item recommended by CapCom is \$26,000 for hook truck components for the DPW.

In addition, the Town’s Fire Department is proposing the purchase of a new Ambulance for \$520,000. This request would be funded out of the Town’s Ambulance Revolving Fund, which is funded by ambulance fees. The spending cap for that fund is \$100,000, so Town Meeting approval is needed to amend that spending cap (see Article 9).

The Finance Committee has reviewed these funding requests and recommends the capital expenditure and maintenance articles at proposed levels, using available funds without needing any debt or capital exclusions.

Warrant Articles

Article 8	Cash Capital Expenditures	\$661,376
	Conceptual Design of Biking & Walking Roadway Improvements	36,000
	Conservation F350 Pick Up w/ Plow and Liftgate	72,427
	Conservation Rock Rake	10,647
	DPW Pick-up Truck with Utility Body	66,000
	DPW Superintendents Car	35,000
	DPW Hook Truck Components	26,000
	Transfer Station Compactor #1 (replacement)	47,000

	Fire Department Quint Repairs	30,000	
	Server Upgrades	50,000	
	Replace Library Bluestone Terrace	47,300	
	School Genie Vertical Lift	30,000	
	Hartwell -- Energy-efficient AC for North Pre-K	37,000	
	School Emergency Radios	51,644	
	LSRHS Exterior Masonry (stairwells) - design	3,328	
	LSRHS Replace Camera System	29,684	
	LSRHS Replace 15 passenger van (2011)	2,412	
	Recreation Pool Slide Replacement	18,842	
	Replacement of one (1) police vehicle	59,092	
	Replacement of five (5) Electronic Control Devices	9,000	
Article 15	Town Buildings Maintenance		\$76,730
Article 16	Library Building Maintenance		\$61,975

6. Community Preservation Act

The Town of Lincoln approved the Community Preservation Act (CPA) in November 2002. Pursuant to the CPA, the Town levies a surcharge of 3% on Lincoln real estate bills. These local CPA revenues are matched by the state from a dedicated fund. Through FY07, the state matched local CPA revenues at 100%. Due to an increasing number of cities and towns participating in the CPA, a decline in funds to the state matching fund, and legislative changes for state funding sources, the amounts matched by the state have varied over recent years.

Lincoln received a percentage match on its fiscal year surcharges since FY10 as follows:

FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
34%	33%	34%	65%	40%	39%	25%	22%	22%	32%	38%	52%	58%

The CPA requires that a Community Preservation Committee (CPC) be formed with four members appointed by the Select Board and five other members nominated from each of the following: Conservation Commission, Housing Commission, Historical Commission, Planning Board, and Recreation Committee. The mandate of the CPC is: to study the needs of the Town in consultation with other municipal boards and committees; to solicit input from the Town as to its community preservation needs, possibilities, and resources; and to make recommendations to the Town for expenditures in four areas of community interest: open space, preservation of historic structures, community housing (defined as low to moderate income housing), and recreation.

Spending must be recommended by the CPC and then approved at Town Meeting.

Generally, the CPA also requires a minimum of 10% of annual revenues be spent on *each* of three categories: (1) open space (excluding recreation), (2) historical preservation, and (3) community housing. If the 10% annual minimum for a given category is not met, the shortfall must be “banked” and spent in subsequent years.

For fiscal periods 2003 through 2023, the CPC has recommended, and the Town has approved, funding for the following projects:

Town of Lincoln CPA Appropriations & Project Status					
Category	Appropriation	Paid to Date	Balance	Status of Project	
75 Tower Rd Renovation	150,000	150,000	-	Complete	
Admin Expenses	52,000	48,375	3,625	In progress	
Arborvitae Cemetery	50,000	50,000	-	Complete	
Battle Rd Farm Unit	150,000	150,000	-	Complete	
Bemis Hall Repairs	639,985	533,150	106,835	Complete	
Bemis Hall Basement Reconstruction	290,000	107,946	182,054	Complete	
Borrowing costs	63,111	63,111	-	Complete	
Codman & Ballfield Rd- Athletic Fields Irrigation	400,000	343,905	56,095	In progress	
Codman Barn A restoration	112,000	112,000	-	Complete	
Codman Barn Repairs	111,500	71,672	39,828	Complete	
Codman Farm Hay Barn structural study	5,000	5,000	-	Complete	
Codman Farm Main Barn electrical work	15,000	15,000	-	Complete	
Codman Farm Parking Lot & Driveway Improvements	329,950	329,950	-	Complete	
Codman Pool Chemistry Controller	42,500	42,500	-	Complete	
Codman Tot Pool Renovation	182,000	151,475	30,525	Complete	
Community Housing Rental Assistance Prog	173,000	141,339	31,661	In progress	
Conservation Stonewall Restoration	20,000	20,000	-	Complete	
Construction of archival vault at the Library	489,097	489,097	-	Complete	
Control invasive species on conservation land	51,280	51,280	-	Complete	
Debt Service on Town Office Renovation	3,888,251	3,628,421	259,830	In progress	
Flint Homestead Survey	8,000	7,860	140	Complete	
Fund debt service on borrowing for CPC project	1,980,566	1,874,886	105,680	Complete	
Funding of Affordable Housing Trust	4,217,829	4,217,829	-	Complete	
Funding of Conservation Fund	487,359	487,359	-	Complete	
FY15 FoMA area studies	6,000	6,000	-	Complete	
Historic Properties Inventory	70,250	70,050	200	In progress	
Historic records archive and preservation	360,453	337,794	22,659	In progress	
Historic Town buildings needs assessment	25,000	25,000	-	Complete	
Housing Consolidated Plan	20,230	17,230	3,000	In progress	
Land Acquisition	2,425,000	2,325,000	100,000	Complete	
<i>Harrington Row property</i>	<i>350,000</i>				
<i>Booth property</i>	<i>250,000</i>				
<i>MacDowell property</i>	<i>400,000</i>				
<i>DeNormandie property (Rt 2 parcel)</i>	<i>100,000</i>				
<i>Schmid Property</i>	<i>200,000</i>				
<i>Jerodel Property</i>	<i>100,000</i>				
<i>Hargreaves-Heald</i>	<i>225,000</i>				
<i>Wang Property</i>	<i>500,000</i>				
<i>Twin Pond Lane</i>	<i>200,000</i>				
<i>Conservatin restriction 241 & 247 Old Concord Road (returned funds-not needed)</i>	<i>100,000</i>				
LSRHS Softball Field	50,000	-	50,000	Not needed	
Model historic preservation restriction easement	5,000	5,000	-	Complete	
Multi-sport Court	146,000	146,000	-	Complete	
Pierce House Repairs	482,976	398,527	84,449	In progress	
Regional Housing Support Services	61,000	60,881	119	In progress	
Rehabilitation of tennis courts	20,000	20,000	-	Complete	
Repairs & Improvements to Lincoln Library	1,403,587	1,082,863	320,724	In progress	
Repairs to historic cemetery monument	42,300	42,300	-	Complete	
To Reserves	3,015,051	2,823,232	191,819	Complete	
School Playgrounds	161,200	133,862	27,338	In progress	
Smith School Playground	50,000	50,000	-	Complete	
Sunnyside Lane	792,500	792,500	-	Complete	
Tot-lot at Codman Pool	50,000	45,191	4,810	Complete	
Town Office Athletic Field-Drainage Study	26,800	25,000	1,800	In progress	
Town Office Athletic Field-Drainage Improvements	310,000	-	310,000	In progress	
Town Office Renovation	1,000,000	1,000,000	0.34	Complete	
Town Office renovation feasibility study	135,000	135,000	-	Complete	
Wayfinding Battle Road Byway	1,000	-	1,000	In progress	
Wetland Trail and Observation Platform	137,355	114,543	22,812	In progress	
Grand Total	24,705,131	22,748,128	1,957,003		

This table summarizes money raised and appropriations to date:

CPA Revenues and Expenditures														
Revenues	FY '03-10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18	FY '19	FY '20	FY '21	FY '22	FY23*
Town Rev's†	\$3,798,806	\$615,705	\$644,328	\$649,035	\$667,117	\$691,581	\$765,657	\$ 740,896	\$893,839	\$ 772,958	\$ 890,954	\$ 932,229	\$ 927,624	978,108
State Match	\$3,218,803	195,935	206,190	216,875	424,815	266,411	259,639	191,804	164,520	\$ 197,220	\$ 253,236	336,984	532,005	190,612
Total Revenues	\$ 7,017,609	\$ 811,640	\$ 850,518	\$ 865,910	\$ 1,091,932	\$ 957,992	\$ 1,025,296	\$ 932,700	\$ 1,058,359	\$ 970,178	\$ 1,144,190	\$ 1,269,213	\$ 1,459,629	\$ 1,168,720
Expenditures#														
Housing	\$ 1,496,000	\$ 260,000	\$ 90,000	\$ 90,000	\$ -	\$ 151,600	\$ -	\$ -	278,329	\$ -	\$ 30,000	\$ 30,100	\$ 60,920	88,500
Historic	\$ 1,528,406	139,500	64,593	629,250	558,051	564,364	491,255	533,607	434,680	\$ 509,711	\$ 18,123	\$ 517,881	\$ 363,648	666,021
Conservation	\$ 1,212,800	400,000	-	20,000	62,774	-	525,000	70,512	541,088	\$ -	\$ -	\$ 289,000		
Recreation	\$ 942,500	-	-	-	232,000	109,020	25,000	201,593	41,000		\$ 94,174	\$ 232,923	\$ 199,857	421,550
Administrative	\$ 945,500	2,500	2,500	3,000	3,000	2,875	2,875	2,875	2,875	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	3,500
Total Approp's	\$ 6,125,206	\$ 802,000	\$ 157,093	\$ 742,250	\$ 855,825	\$ 827,859	\$ 1,044,130	\$ 808,587	\$ 1,297,972	\$ 513,211	\$ 145,796	\$ 1,073,404	\$ 627,925	\$ 1,179,571
* revenues not yet certified														
† includes interest earned														
# actual amount spent is shown, where less than appropriation														

At Town Meeting, the CPC anticipates recommending a total of \$856,353 of funding for the following projects:

Warrant Article 10

Town Office Renovation -debt service	Select Board	Historic	296,060
Housing Rental Assistance program	Lincoln Housing Commission/COA	Housing	96,863
Housing Support Services	Housing Comm, Housing Trust, Lincoln Foundation	Housing	30,700
Library Gund Chimney Repair	Library Trustees	Historic	35,640
Archives- Flint Family historical documents	Town Archives	Historic	28,274
Massachusetts Historical Commission Surveys for Historically and Architecturally Significant Buildings	Historical Commission	Historic	5,000
Improved Trailhead & Wayfinding Signage	Conservation	Open Space	7,266
75 Tower Road Driveway & Erosion Issues	Housing Commission	Housing	32,000
75 Tower Road Exterior Repairs	Housing Commission	Housing	70,700
65 & 75 Tower Road Radon Remediation	Housing Commission	Housing	5,000
All Housing Units- Replace Heating Systems	Housing Commission	Housing	137,800
Wang property and athletic field debt		Debt	107,550
Administrative Expenses		Admin Exp	3,500
		TOTAL	\$ 856,353

7. Other Post-Employment Benefits (OPEB) Liability

The Town of Lincoln has a significant obligation to its current and retired employees for healthcare and other non-pension benefits after employment by the Town. These are also known as Other Post-Employment Benefits (“OPEB”), and they consist primarily of benefits received through the Town’s Postretirement Medical and Life Insurance Plan.

Beginning in FY09, as a municipal government, the Town of Lincoln became subject to Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This accounting rule calls for municipal governments to report on the expected costs of the benefits that have already been earned by active and retired employees as well as the benefits active employees will earn in the future. The OPEB liability, first recorded by the Town in its FY09 financial statements, represents the present value of these benefits earned to date, which are estimated for the Town by an actuary. Biannual updates to the actuarial valuation are required. Many variables in actuarial assumptions contribute to the liability amount, including discount rate, demographics of retirees and active employees, how health care costs are shared between employees and the Town, and benefit eligibility.

Beginning in FY17, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, changed the requirements on OPEB accounting and reporting for the Town. GASB 74 requires additional disclosures and Required Supplementary Information schedules regarding the Town’s OPEB Trust Fund. Most of the reporting necessary for the new requirement is provided by an actuary based on data provided by the Town. GASB 74 also more tightly defines what discount rates can be utilized in the valuation based on the Town’s OPEB Policy and the funding status of the OPEB liability.

Beginning in FY18, GASB Statement No. 45 requirements were replaced by GASB Statement #75, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*, which most significantly obligates the Town to report its entire OPEB liability on its financial statements. Prior to the issuance of GASB 75, the OPEB liability was being “phased in” to the Town’s statement of net position over a 30 year period. Reporting the entire OPEB liability had a negative impact on the Town’s Unrestricted Net Position. However, bond rating agencies and other informed readers have been considering OPEB liabilities for years, and in February 2019 and in October 2020, Standard & Poors reaffirmed the Town’s AAA bond rating despite the impact on the Town’s financial statements.

The Town’s OPEB liability was originally estimated at \$61.7 million in 2007. Although there is currently no federal or state requirement to fund this liability, due to its large size and the ultimate need to meet the Town’s obligations, the Finance Committee and the Town have taken numerous steps to fund this liability and reduce its size.

Actions taken by the Town include establishing and depositing monies into an OPEB trust fund and adopting Section 18, under which qualified retirees must join Medicare. The Town also moved to provide health insurance through the Massachusetts Interlocal Insurance Association (MIIA) instead of self-insurance and made health care plan design changes. In FY17, the Town took further steps to reduce the cost of retiree prescription drug benefits by implementing a switch from

Medex III to Medex II, and in FY18, the Town implemented additional plan design changes including increasing emergency room co-pays. Other changes put in place to reduce the liability include appointing the Massachusetts Pension Reserves Investment Management Board as the fund manager of the Town’s OPEB trust fund, and enacting a Finance Committee OPEB Policy in June 2015, subsequently revised in June 2017, December 2018, and March 2019 regarding trust fund contributions going forward.

The Finance Committee’s March 2019 revision to its OPEB Policy was motivated by recommendations from the Town’s actuary, as part of the actuarial valuation performed in December 2018, to consider how funding the OPEB liability interacts with the Town’s state mandated assessments under its pension obligation, which are estimated to climb steadily until the pension plan is fully funded in 2037 and then fall off sharply. As a result, the Finance Committee significantly amended our OPEB Policy to be less aggressive in its funding of the OPEB liability until the pension plan is fully funded, then to re-appropriate a portion of the “freed up” pension funding to OPEB for some number of years until the OPEB liability is fully funded. This new approach will materially smooth the combined required contributions by the Town over the next 25-30 years, arguably resulting in a more even distribution of resident tax burden across the decades.

To date, the Town has chosen to pay the portion of the annual cost that represents the current-year benefits to retired employees as well as appropriating amounts into the Town’s OPEB trust fund to partially fund the liability. From FY09 through FY19, the Finance Committee recommended, and the Town approved, increasing annual contributions to the OPEB Trust Fund, ranging from \$100,000 in FY10 to \$950,000 in FY19. In recent years, the Finance Committee recommended, and the Town approved smaller contributions, based on the Finance Committee’s latest OPEB Policy:

	OPEB Contribution
FY20	\$650,000
FY21	\$350,000
FY22	\$350,000
FY23	\$650,000
FY24	\$650,000*

* Recommended in this budget

In recent years, the Water Department has also included amounts in their budget (\$40,000 in FY24) to transfer to the Town’s OPEB trust fund to cover their portion of the liability. In addition, over the past thirteen years, the Lincoln School Committee has made contributions to the fund (from the Town’s contract with DoDEA) to offset the liability for Hanscom school employees and retirees.

The balance in the OPEB trust fund is now \$15,338,890, about a 4% decrease from last year due to investment losses. (Note: the prior year was up about 25%).

As a result of the above actions, as well as changes in actuarial assumptions, the Town's estimated unfunded OPEB liability has declined from \$61.7 million in 2007 down to \$43.4 million in 2015 and \$22.6 million in 2019 and up to \$27.7 million as of the most recent July 1, 2021 valuation date, with the most recent \$5.0 million increase between 2019 and 2021 valuation dates due primarily to changes in actuarial assumptions for mortality and morbidity costs of medical care and a slight decrease in the discount rate assumption from 6.75% to 6.41%.

The most recent actuarial valuation also showed an Actuarially Determined Contribution for FY22 of \$2.3 million. This consists of a Service Cost of \$0.9 million, which is the contribution needed to fund employee benefits earned in FY22, and \$1.4 million, which is the amount that the Town would need to contribute to the OPEB trust fund annually to fully fund the OPEB liability over a 30 year period. In fact, the Town contributed \$790,000 in FY22, which when combined with the \$1.7 million in current payments to retirees represents 106% of the Actuarially Determined Contribution.

The next actuarial valuation is set to be completed in the fall of 2024.

For FY24, the committee recommends that Town Meeting appropriate \$650,000 (Article 16) as a further contribution to the trust fund against the liability. The Water Department has also included \$40,000 in its FY24 budget to transfer to the Town's OPEB trust fund. In addition, the committee recommends that the Town Meeting appropriate \$51,348 for Lincoln's portion of the high school's funding of its OPEB trust (Article 17).

The Finance Committee continues to be alert to any additional actions needed to manage the Town's OPEB liability, and we continue to explore options that could further reduce our liability without significant impact on the Town's operations or capital plans. Our current practice of funding the annual cost of retirees and contributing an amount to the trust fund – as well as closely managing health care expenses – puts Lincoln ahead of many peer communities in addressing the OPEB issue.

Warrant Articles

Article 16	Funds for Group Insurance Liability Trust Fund	\$650,000
Article 17	Funds for Lincoln Sudbury Regional High School District Retirees Health Insurance Trust Fund	\$51,348

8. Estimated Property Tax Impact

The table shows the estimated tax impact on a median-value house for the proposed FY24 budget. The estimate assumes a median FY23 assessment value for a single-family home of \$1,259,800, up slightly from FY22. FY24 assessment values will be determined in the fall when the Town sets

its tax rate. Note: the impact on individual homeowners who have undertaken construction or made improvements to their property could be higher.

FY24 Known Tax Increases					Potential Offsets to Reduce Taxes (To reduce debt service)	
			Existing Debt Exclusions	Total Estimated Tax Bill	CPC Funds	Total Tax Bill
Fiscal Year Impact	FY 2023	Prop 2.5% FY 2024	FY 2024	FY 2024	FY 2024	FY 2024
Increases/(decreases)		\$ 830,021	\$ 305,341	\$ 1,135,362	\$ (296,060)	\$ 839,302
Dollar Tax Impact		\$ 418	\$ 154	\$ 571	\$ (149)	\$ 422
% Tax Impact		2.38%	0.88%	3.26%	-0.85%	2.41%
Median Tax Bill	\$ 17,536			\$ 18,108		\$ 17,959
Assumptions:						
Based on FY23 Valuation data						
FY23 Median Tax Bill \$17,536						
Median House Value of \$1,259,800						

9. Looking Forward

The Finance Committee works closely with the Town, the Lincoln Public Schools, Lincoln-Sudbury Regional High School, the Capital Planning Committee and independent Boards to anticipate the Town’s future needs and to analyze the financial impact of these needs and various policy options for addressing them. The Committee draws upon the expertise of the Town’s very able professional staff to manage Lincoln’s finances in the midst of uncertainties that impact both revenues and expenditures.

Revenue uncertainties include state aid which is dependent upon economic performance of the Commonwealth and local receipts, neither of which is known until after the Town’s budget is in place. On the expenditure side, the share of funding for operations at Lincoln-Sudbury Regional High School is calculated in two parts, each of which are subject to a formula that could result in an increase or decrease in Lincoln’s assessment each year. Health insurance costs and pension costs are subject to continued uncertainty and need to be estimated as part of the budget process.

While the financial impacts of the COVID-19 pandemic have largely stabilized, the Town has made use of various state and federal funding sources available for pandemic expenses (such as the American Rescue Plan Act of 2021 “ARPA”). For example, the Town has been allocated up to \$2,108,000 of ARPA funds and established a Working Group in the fall of 2021 to develop recommendations to use those funds.

Some indicators point to improved pandemic and economic conditions. The assessed value of the median single family Lincoln home rose slightly in FY23 to \$1,259,800, after steadily falling from a peak of \$948,400 in FY07 to \$796,700 in FY13. Town finances remain strong, and the Finance

Committee is able to recommend an annual budget with no operating override for the sixteenth year in a row.

However, the Committee remains cautious about committing Town resources, chiefly due to the dependence on Free Cash in the operating budget and concern about the capital needs facing Lincoln. Free Cash represents amounts accumulated from savings in prior years' budgeted expenditures as well as receipts in excess of budgeted sources. In recent years, the balance has grown due to savings in health insurance costs, higher revenues than estimated, and savings in the Lincoln Schools budget that were returned to the Town. Lincoln's high Free Cash balance of approximately \$8.2 million demonstrates the capabilities of the Town's professional staff and the success of a conservative budgeting philosophy. Nevertheless, Free Cash has become a greater share of the operating budget in recent years. In the FY24 budget, Free Cash represents 12.8% of projected revenues. In FY08, that share was just 7.3%. The committee believes that savings which contributed to the current balance may come under pressure, and that there may be pressure on the tax levy in future years.

The Town took a major step forward with capital investments at its December, 2018 Special Town Meeting by deciding to move forward with a \$93.9 million renovation project at Lincoln School. Residents approved \$88.5 million of financing being raised via bond issuance, \$4.4 million appropriated from the Stabilization Fund, and \$1.0 million appropriated from Free Cash. This is the largest capital project in the Town's history. The Finance Committee understands that the large increase in debt service from this project is a burden for residents, and we have made it a priority to minimize the likelihood of requesting residents approve any additional debt or capital exclusions over the next couple of years.

Other new capital needs and projects are inevitable of course. The Finance Committee is mindful that the Town has resumed discussions regarding a new Community Center on the Ballfield Road campus, after completion of the Lincoln School renovation project, potentially utilizing designs and ideas generated by the work in 2017 and 2018 by the Community Center Planning & Preliminary Design Committee (CCPPDC).

As a result, and as a matter of best practices, the Finance Committee will continue to act to preserve Lincoln's financial capacity and flexibility. For FY24, these actions include maintaining a budget that supports efficient operations and does not require an override for operations. Adding money to the Town's OPEB trust is an important step to take in support of Lincoln's long term financial health, given its substantial post-employment benefit liabilities.

In addition, the Finance Committee recommends that the Town continue to build its reserves. With the FY24 budget, we propose adding \$1,444,593 to the Stabilization Fund to buffer the impact of future capital projects on our property tax bills (Article 14). Also, any appropriation to Lincoln Sudbury Regional High School not assessed to the Town would, as in previous years, provide additional funds to the Stabilization Fund. That contribution may be larger this year due to conservative budgeting assumptions relative to state aid, and the Governor's budget coming in higher than expected.

After several years of recommending above-policy Reserve Fund amounts due to COVID-19 uncertainty, the Committee is recommending a Reserve Fund of \$601,000 for FY24, representing about 1.3% of the prior year's operating budget, in line with current policy. Consistent with the Finance Committee's Emergency Reserves Policy, the FY24 budget deliberately sets aside Free Cash at a level of at least 3% of the prior year's operating budget and attempts to incorporate conservative estimates of uncertain revenues and expenditures.

The rating agencies and the financial markets are increasingly focused on local government financial results and financial policies that ensure sufficient reserves and that address future and contingent liabilities. The Town's AAA rating, its access to debt financing and its flexibility to consider major capital projects are all dependent on maintaining and improving sound financial decisions and practices.

10. Departmental Budgets

General Government

FY22 Actual	FY23 Budget	FY24 Proposed
\$2,931,260	\$3,760,661	\$3,739,266

General Information

General Government includes: Town Moderator, Select Board, Finance Committee, Town Offices, Legal Services, Reserve Fund, Assessors, Law Department, Town Clerk, Town Archives, Registrar of Voters, Conservation Commission, Planning Board, Agricultural Commission, Board of Appeals, Town Report, Town Buildings, and Town Access PEG Cable. The largest account is Town Offices, which includes personnel costs and administrative and financial department expenses.

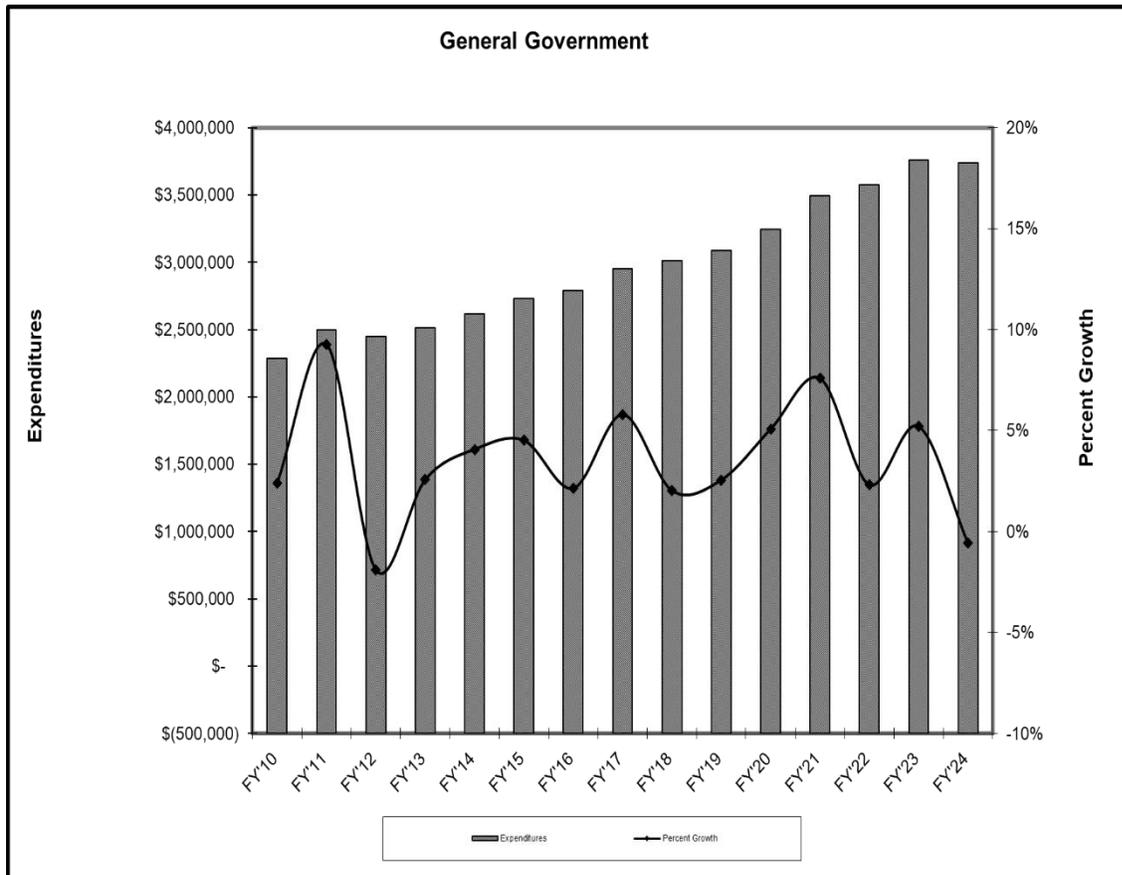
Summary:

- The proposed budget represents a slight (-.6%) decrease from the FY 23 budget due primarily to a recommended decrease in the Town's Reserve Fund. The Reserve Fund is part of the General Fund and is intended to cover extraordinary and unforeseen needs of the Town, and the Lincoln Public Schools. Last year's Reserve Fund was funded at a higher than customary level as a contingency against any ongoing pandemic response needs. Excluding the Reserve Fund, the General Government segment of the budget is increasing by 4.6%.
- The budget maintains current service levels. There are no proposed increases in staff.
- All Town labor agreements were renegotiated in FY22. Town budgets include a 2.5% cost of living adjustment for FY24 based on the agreements.
- The proposed budget includes an additional \$13,000 in the Town Clerk Department's budget to support early voting requirements.
- The Town's energy contracts are increasing as a result of market increases, and the Town's commitment to contracting for greener supply sources consistent with the 2022 vote of Town Meeting. These increases are reflected in the Town Buildings budget.

Warrant Articles

Article 5: Senior Work-off Program	\$74,500
Article 6: Veterans Work-off Program	\$5,000
Article 8 (Capital): Information Technology- Server Upgrades	\$50,000

Article 10 (CPA): Debt Service on Town Office Renovation	\$296,060
Article 10 (CPA): Archives Preservation of Historic Documents	\$28,274
Article 10 (CPA): Conservation Trailhead & Wayfinding Signage	\$7,266
Article 11: Town Buildings Maintenance	\$76,730
Article 13: Bright Light Award	\$500
Article 14: Debt Stabilization Fund Appropriation	\$1,444,593
Article 16: Transfer to Other Post Employment Benefits (OPEB) Fund	\$650,000
Article 17: Transfer to LSRHS OPEB Fund	\$51,348
Article 20: Cable Revolving Fund Annual appropriation	\$60,000



Public Safety

FY22 Actual	FY23 Budget	FY24 Proposed
\$4,344,721	\$4,538,920	\$4,661,991

General Information

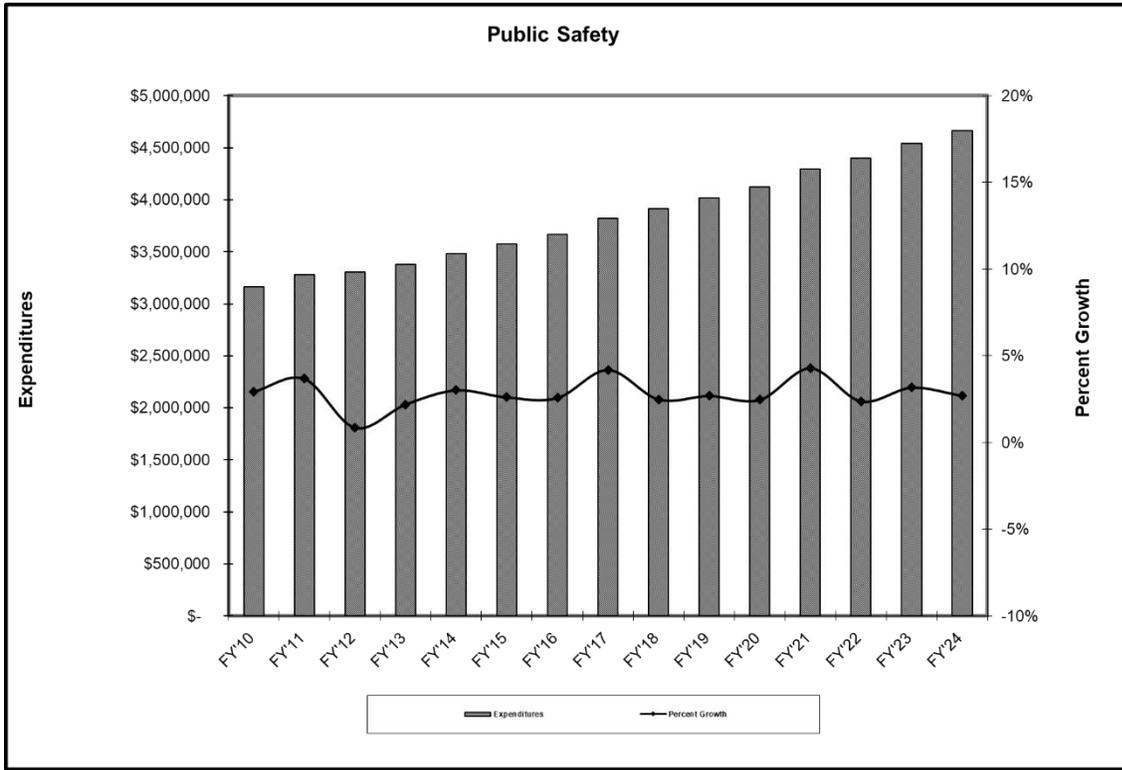
Public Safety includes the police department, the fire department, emergency medical services, the building department, the communications center, emergency management, the dog officer and the public safety building.

Summary:

- The proposed budget represents an increase of 2.7% over the FY23 budget.
- The proposed budget maintains level services. There are no proposed increases in staff.
- All Town labor agreements were renegotiated in FY22. Town budgets include a 2.5% cost of living adjustment for FY24, based on the agreements.
- Turnover in the Building Department resulted in a staffing reorganization among the Building, Housing, Board of Health, and Historical Boards/Departments.
- The Town’s energy contracts are increasing as a result of market increases, and the Town’s commitment to contracting for greener supply sources consistent with the 2022 vote of Town Meeting. These increases are reflected in the Public Safety Building budget.

Warrant Articles

Article 8 (Capital): Fire Quint Engine Repairs	\$30,000
Article 8 (Capital): Police Replacement of Cruiser	\$59,092
Article 8 (Capital): Police Replace 5 Electronic Control Devices	\$9,000
Article 9: Vote to increase Ambulance Revolving Fund spending limit	\$520,000



Lincoln Public Schools

FY 22 Actual	FY23 Budget	FY24 Proposed
\$11,972,395	\$12,655,921	\$13,438,222

General Information

The Lincoln Public Schools District serves students from Pre-School through Eighth Grade from three communities: Lincoln resident students, children who reside and attend school on Hanscom Air Force Base, and students who reside in Boston and attend the Lincoln School via the METCO Program. Additionally, many children of Lincoln town employees attend school on the Lincoln campus. The student population is diverse with students who speak about 30 languages.

The Lincoln School budget is supported by approximately 89 percent appropriation of Town funds which includes state Chapter 70 and Student Opportunity Act funds and about 11 percent by several state and federal grant programs, user fees, and reimbursements. The Hanscom school budget is funded by a five-year contract with the U.S. Department of Defense Education Activity.

The DoDEA contract renewed in FY21. The DoDEA contract benefits Lincoln School by facilitating cost sharing with Hanscom of the district's central administration and common special services.

FY24 Budget Request for Lincoln Schools

Education is Lincoln's biggest investment – about 40% of the Town's operating budget is dedicated to running our schools.

Note: costs for the Lincoln School Building Project are funded separately, and an update on that project is included later in this report.

The Lincoln School Committee has approved a \$13,438,222 operating budget request for FY24, including \$13,406,497 from town's general fund appropriation that is above the 2.5% increase guideline issued by the Finance Committee, and \$82,800 in federal Medicaid grants for separate appropriation by Town Meeting (Article 22). This budget assumes a continuation of the regular educational models and class sizes and includes a new level service to address the needs of students post pandemic.

The FY24 budget includes \$383,103 for improvement initiatives, including:

- **+1% for Contract Negotiations.** This is to address additional amounts necessary to negotiate a fair teacher contract in the current environment.
- **Instructional Coaching = 2.5 FTEs Total for Lincoln and 1.0 FTE for Hanscom**
 - Strengthen core classroom teaching and learning by connecting data → planning → instruction → feedback and action steps so that all students get what they need to succeed (including both support and challenge/extension)
 - Bring the Portrait of a Learner to life for students and staff and meld Antiracism, Inclusion, Diversity, Equity (AIDE) (AIDE), Social and Emotional Learning (SEL), and Deeper Learning (DL) throughout all parts of the day
 - Bolster student outcomes (in all aspects -- AIDE, SEL, DL) and support teachers in strengthening their practice, school systems, and our impact on students
- **Adjustment Counselor (SAC)/Social Worker (SW)/Board Certified Behavior Analyst (BCBA) - 0.60 FTE**
 - One position (.60 FTE) to provide necessary behavioral supports and integrate a clinical presence which will enhance the therapeutic milieu in the program
 - allow for consultation with a SAC/ SW/ BCBA to be embedded into specialized programming and throughout the Lincoln school building in various settings as needed for direct service and consultation
 - facilitate and work with teachers to specialize instruction across developmental levels on social and emotional learning skills

NOTE: The School Budget was written prior to completing negotiations on a three-year teacher’s contract and is subject to change. Additionally, since the hiring of a new Superintendent, the outgoing Superintendent is withdrawing the request for Instructional Coaches this year. A final budget will be available no later than Town Meeting.

Personnel costs for faculty and staff continue to comprise about 75 percent of the District’s operating expenses and are set by contracts, including a new Teacher’s contract currently being negotiated for FY24 – FY26. The number of teachers and support staff on each campus is determined by enrollment, class size policy, and the individual needs of our students.

The remaining portions of the budget are dedicated to general operations, instruction materials, utilities, food service, transportation, and routine maintenance.

Key Issues for the FY24 budget:

- Utility costs may differ from estimates for the all-electric Lincoln School building as the solar project will not be online until part-way through FY24.
- Special Education Out-of District Expenses: We currently do not know our final CASE assessments and transportation costs. Private School Tuitions are expected to increase 14% according to MA Operational Services Division (OSD).

Warrant Articles

Article 8 (Capital): Genie Vertical Lift	\$30,000
Article 8 (Capital): Hartwell Energy efficient AC for North PreK	\$37,000
Article 8 (Capital): Emergency Radios	\$51,644
Article 19: Transfer Medicaid reimbursements into budget	\$82,800

District Enrollment

Lincoln’s school budget is dependent on enrollment, student needs, and class size. As of October 1, 2022, the LPS total enrollment pre-K - 8 was 1035 students. Included in these totals, the district has 25 students in out-of-district placements, 89 METCO students, and 14 employee children.

	PreK	K-4	5-8	Total
Lincoln	34	299	216	549
Hanscom	67	236	183	486
Total	101	535	399	1,035

Mission and Progress on Educational Strategic Objectives

The Lincoln Public Schools seek to unite our communities in challenging and equipping our students to acquire essential skills and knowledge, think creatively and independently, exhibit academic excellence, appreciate and respect diversity, display creativity, value reflection, and demonstrate social and emotional competencies.

To meet these goals, the School Committee and District Administration annually adopt Strategic Objectives. This year, the objectives focused on four goals:

Strategic Objectives:

- *Educator Growth and Innovation:* Educators demonstrate continual growth, professional collaboration, innovation, and risk-taking built on a shared vision of effective teaching and practices and equity for all students.
- *Curriculum:* Curriculum is engaging, provides high cognitive demand, and supports the creative, social and emotional development, and academic growth of all students.
- *Instruction:* Instruction is student-centered and focused on the engagement, achievement, and social and emotional development of all learners.
- *Equity and Culture:* Educators and students work together to build a school culture that values, respects and responds to students' identities, and develops the social and emotional well-being of all students.

The District Strategic Plan is available here: <https://www.lincnet.org/strategicplan>

The District's areas of high priority include:

- Establish a culture that is built upon the intersectionality of social and emotional learning, Antiracism, Inclusion, Diversity, and Equity (AIDE), student and adult learning, and fostering strong connections.
- Build a culture of trust, engagement, and pride in our schools through:
 - reinvesting in the relationships among and between students and caregivers, staff, administrators, partner organizations, and community members
 - creating spaces where feedback is welcomed and used to facilitate transformative change
 - developing our awareness, ability, skills, desire, and stamina to navigate and work through barriers that arise
- Improve student investment, academic outcomes, and sense of belonging by providing engaging learning experiences, culturally responsive instruction that builds upon and embraces students' identities, and safe, nurturing, collaborative learning environments.

School Building Project Update

The school building project is the largest capital project in the Town's history. The Finance Committee works closely with the School Building Committee (SBC), the School Committee, and the town professional staff to track schedule and budget risks.

Construction Phase (June 2020 – present): Phase 1 demolition and construction began in June 2020. Phase 1 included renovation or construction of the Reed Gym, the connector between the gym and the auditorium, The Donaldson Auditorium, the Lecture Hall, the Brooks Middle School, the new kitchen, and Dining Commons. Phase 1 was completed during the summer of 2021 with students, faculty and staff enjoying the new building and learning areas since the first day of school in September of that year.

Phase 2 of the project began shortly after the last day of school in June 2021. Phase 2 included construction of a new 3rd grade wing, Learning Commons, Media Center and main entrance. The remaining portions of the buildings were renovated to hold grades pre-K-2 and a new centralized administrative suite for both building principals. Phase 2 of the project was substantially completed during the summer of 2022. Teachers moved into their classrooms the week of August 22nd, and school started on time on September 6th, 2022. Since then, the construction team has been whittling down the inevitable “punch list”, working after school hours, during Wednesday afternoons and on school holidays. Outside landscaping and playground construction has been completed.

Modular classrooms, which housed the primary school for the past two years, were sold to the Nauset Regional High School. They were deconstructed and removed during the summer, and field restoration has begun.

Solar Update: To address the Town's sustainability goals for municipal buildings, the School Building Committee proposed, and the Town agreed, to design buildings and systems in the buildings that, other than the emergency generator, are powered entirely by electricity, and to provide that electricity with a sufficient number of solar photovoltaic (“PV”) panels to meet all of their energy needs when measured on an annual basis (i.e. to be “net zero energy”). To eliminate the need to provide upfront financing for the solar PV project, and also because the state and federal financial incentives for such solar PV systems are in the form of tax incentives only beneficial to a taxpaying entity, the School Building Committee decided to enter into a power purchase agreement (“PPA”) with a third party provider of such systems, and it formed the PPA Subcommittee to select such a counterparty and pursue such an agreement. The School Committee entered into a contract with SunPower Corporation as the counterparty to provide the solar PV system, through a municipal solar program organized by PowerOptions, Inc. that is administered under Massachusetts G.L.c 164. PowerOptions is a non-profit organization that has negotiated low electric rates for Lincoln Schools for many years. SunPower was purchased by TotalEnergies who is the successor counterparty to our PPA.

The final price for the electricity will be determined at the time that the array becomes fully operational, based on the state energy and federal tax incentives that are in effect at that moment. The solar PV system will have approximately 1.2 MW of PV panels spread across the Lincoln

School roofs, and on canopies above both the North and South parking lots. The Project also includes a 500kW battery storage system. Collectively the PV panels will produce approximately 1.3 million kW hours of electricity annually, meeting the electricity consumption needs projected by the school architects.

In January, a Tesla Megapack 2 battery was installed on the north side of the Brooks building. All solar panels will be installed on the school roofs and parking lot canopies by the end of February 2023, and wiring will continue for the next several months, pending receipt of some long-lead equipment currently delayed by supply chain difficulties. The expected completion of the installation in June will allow Eversource to perform its tests and start-up activities during the month of July.

The system should be fully operational by August 2023.

Contingencies: The School Building Project carries many contingencies in its budget, carried throughout the design and construction process to cover costs that cannot be accurately determined at a given time. Some contingencies are designed to be used in certain phases of the project. The contingencies being carried at this portion of the project include:

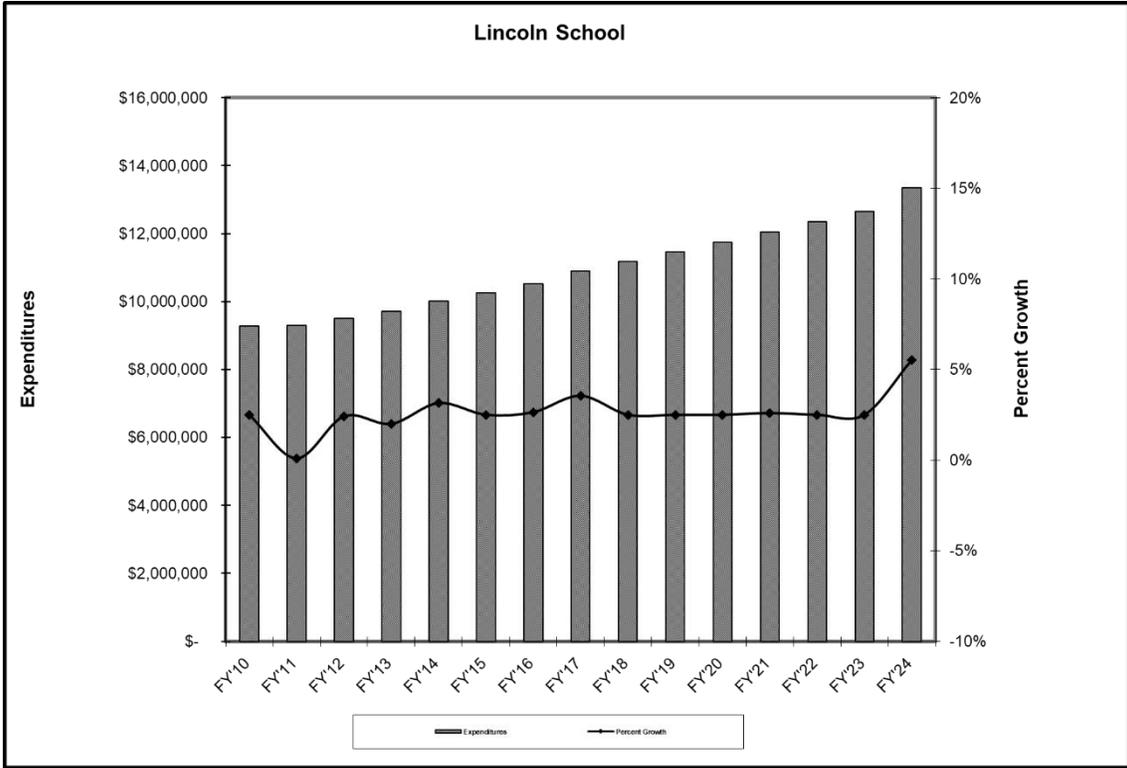
1. **Construction Manager Contingency:** This contingency is included in the construction cost estimates and is carried forward into the construction manager's Guaranteed Maximum Price (GMP). This CM contingency is used during construction to cover items inadvertently omitted by the construction manager during the estimating and bidding process, subcontract bid overages (bid savings are added back in) or any other "cost of work" omissions in the CM's GMP. Any unused CM contingency is returned to the Owner at the completion of the project. The original CM contingency at GMP was \$1,671,234. As of mid-January 2023, \$1,495,138 (86%) had been expended, leaving a balance of \$162,621.
2. **Project & Soft Cost (Owner) Contingency:** This contingency is carried in the overall project budget to cover the cost of any overages in individual "soft cost" line items. This includes additional design and administration costs or furniture and equipment expenditures over the project allowances. The original Lincoln School Project Owner Contingency was \$400,000 with a balance in November of \$363,712. Anticipating little-to-no future need for the balance of this contingency, funds are being transferred from this line item to the Owner's Construction Contingency budget as required.
3. **Owner's Construction Contingency:** This contingency is carried in the project budget and is used to cover unanticipated or unexpected construction cost during the construction period. This contingency may also be used to fund additional construction costs associated with incomplete design documents or owner directed changes. Additionally, COVID related expenses are covered by this contingency. The Lincoln School Owner Construction Contingency was \$4,017,453 or approx. 5.8% of total construction costs. As of December 2022, this contingency had been fully expended. The overall project budget, however, has funding available in several other line items, which are transferred periodically by vote of the SBC to the Owner's Construction Contingency to cover additional costs.

School project-related warrant articles: The \$550,000 in proceeds from the sale of the modular classrooms returned to the Town's General Fund, not the School Building Project. In the March 26, 2022, Town Meeting, the SBC requested that a portion of the proceeds be returned to the project.

The town voted to approve the following three warrant articles:

1. **Lighting Control System Replacement:** The school is equipped with a system of smart outlets, occupancy sensors, and manual controls. A system manufactured by Audacy was part of the project bid in 2020, and the system was installed in the Middle School phase of the project. In 2021, Audacy's new parent company announced that Audacy would be discontinued, and product support would end in 2026. Additionally, the performance of the installed system was proving to be problematic. Our lighting supplier agreed to provide, free of charge, a new system manufactured by Lutron to replace the existing system in the Middle School, however the Town had to pay for installation. A request to use \$200,000 from the proceeds of the modular sale to pay for the installation of the new lighting system was included in *Warrant Article #10* of the 2022 Annual Town Meeting and was approved by residents.
2. **Removal of Modular Units and Restoration of Center Field:** Removal of the modular classrooms began in July 2022. After the units were removed, the concrete footers and the temporary parking lot were dismantled and field restoration began. *Warrant Article #11* requested \$350,000 for this work to be funded from the proceeds of the sale of the modular classrooms. Residents voted in favor of this warrant.

Additionally, the town voted to approve the transfer of \$75,000 from the town's Cable Fund to support cable television infrastructure in the school. This was the third and final transfer request for this purpose.



Lincoln-Sudbury Regional High School

	FY22 Actual	FY23 Final Appropriation	FY24 Proposed ***
Total Budget	\$34,864,792	\$35,910,735	\$37,095,789
Offsets *	\$-3,657,768	\$-4,059,151	\$-4,155,427
Total Assessment	\$31,207,024	\$31,851,584	\$33,093,092
Lincoln Assessment **	\$3,876,655	\$3,981,820	4,142,507
Lincoln Appropriation	\$3,906,750	\$4,167,628	4,292,657

* Offsets include State and Other Revenues.

** Due to Sudbury’s budget process and Sudbury Town Meeting occurring after Lincoln’s process, Lincoln’s Assessment is subject to change after Lincoln’s budget is finalized. In recent years, any amount from Lincoln’s Appropriation that is not assessed, has been moved to the Stabilization Fund.

*** FY24 Total Budget, Offsets, Total Assessment and Lincoln Assessment are current estimates and are subject to change based partly on final Chapter 70 funding and the budget process and vote in Sudbury.

General Information

The FY24 proposed budget for Lincoln-Sudbury Regional High School generally reflects the continuation of current service levels and meets the Town of Lincoln’s budget guidance. The budget aspires to carry forward most existing staff positions in the operating budget. Due to financial assumptions as outlined below, including net negative impact of an 8% increase in health insurance premiums, increased transportation costs, and a 14% increase in Out-Of-District Tuition costs, the district has utilized Circuit Breaker reserves, some transportation reserves and made staffing reductions in line with declining enrollment and predominantly through natural staff attrition - 1.0 FTE (.25 History, .25 Math and .5 Science) - to meet the budget Guidelines as set by Lincoln and Sudbury.

The FY24 LSRHS budget will provide the following programmatic impacts:

- It will sustain recent increased staffing to student services
- It will sustain all recent general and special education program improvements
- It will increase staff time to support increased student enrollment in the Global Scholars program, and,
- It supports implementation of new Advisory Program to be launched in Fall 2023.

The budget also reflects the of the most recently negotiated 3-year collective bargaining agreement, FY23-FY25 as follows:

	COLA EFFECTIVE DAY 1	COLA MULTI-YEAR
JULY 1, 2023-JUNE 30, 2024	2%	N/A
JULY 1, 2024-JUNE 30, 2025	2%	N/A

The district is noting a 3% increase in the contract rate for regular transportation but the overall line item is higher than that percentage due to the additional runs for exam dates, MCAS testing, athletics and does not have the \$100,000 offset that was applied in FY23 to mitigate a 20% increase in year one of the bus contract. There is also an increase of 3% in the contractual rate for special education transportation, however, actual student need drives this line item. Out-of-District tuition is currently expected to increase significantly, 14%, net of Circuit Breaker reimbursement from the state. Health insurance is projected to increase by 8% and LS expects a 1% increase in pension funding. The budget reflects level funding allocation for its Other Post-Employment Benefits (OPEB) accrued actuarial liability for FY24 of \$383,109.

The Lincoln appropriation encompasses operating expenses, including employee benefits, as well as debt service. The allocation of the required minimum contribution between Lincoln and Sudbury and the enrollment figures for FY24 are based on the Governor's Budget Chapter 70 numbers as well as the Required Minimum Contribution Amounts as established by the Department of Elementary and Secondary Education (DESE). The Governor's Budget is subject to affirmation by the State Legislature.

LSRHS enrollment for FY23 is 1483. The number of Lincoln students attending LSRHS is 171 in FY23 (October 1, 2022 enrollment) and is projected to be 182 in FY24. Projections as of October 1, 2022 indicate that the overall on-campus enrollment could fall as low as 1343 by FY29. While enrollment is declining, staffing has remained almost constant, with modest partial FTE increases in FY23 and reduction in staffing occurring through natural attrition. There will be modest staffing reductions for FY24. The projected number of students in out-of-district educational placements is 49 students, reflecting no change between FY23 and FY24.

Each town's share of the annual payment obligation for LSRHS (assessment) consists of two pieces: the amount within the levy (operations) and the amount outside the levy (capital/debt). The amount within the levy is assessed in two parts. The first portion is a minimum contribution mandated by state law and determined by DESE. The allocation of this portion is determined by a number of factors that include enrollment at LS relative to the total student population of each town, and a property wealth formula established under state law and updated annually. The second portion is the amount of funding above the required minimum contribution. That portion is allocated based upon a three-year rolling average that measures each town's portion of students enrolled at the high school, as well as out-of-district special education and charter/school choice programs. The amount of the assessment outside the levy is typically dedicated to capital projects. These projects can be financed with debt or on a one-time basis. The amount of the assessment outside the levy is apportioned based on the same three-year rolling enrollment proportion.

Lincoln's share of the blended total (net) assessment for FY24 incorporating the two factors described above will increase slightly to 12.6%. Lincoln's apportioned share for LSRHS has been 12-16% for the last 20 years. Due to the delay in release of the new Governor's FY24 budget, Lincoln's minimum contribution for FY24 is not yet published. Lincoln's share for FY23 was 12.6%, or \$2,001,095. Lincoln's share of LSRHS funding above the required minimum

contribution is confirmed at 12.56% for FY24, up from 12.41%, reflecting again a very slight increase in the three-year rolling average of Lincoln students enrolled at LSRHS.

The LSRHS Total Budget, as shown in the opening chart is the sum of the operating budget, which is subject to Lincoln and Sudbury's respective Finance Committee guidelines, and capital/debt, which is determined by the terms of the existing construction bonds or new capital projects. The Offsets are then subtracted to determine the Total Assessment. The Lincoln Assessment is then determined by the two-part apportionment ratio.

The LSRHS Regional Agreement requires that the LSRHS budget be the lowest budget approved by Lincoln or Sudbury. Both the Lincoln and Sudbury Finance Committees adopt annual budget guidelines that establish an allowable increase in spending for the upcoming year. The Lincoln guideline for FY24 is 2.5%, with an additional factor built in to allow for accommodation of variances in the allocation for both towns. This guideline is applied to the LSRHS budget after first accounting for the cost of debt service, health and other insurances, and pension and OPEB contributions. At the time this report was written, Sudbury's FY24 guideline was set at a 3.3% increase over its FY23 budget, inclusive of pensions, insurance and OPEB. It is anticipated that Sudbury's guideline will be more restrictive than Lincoln's guideline.

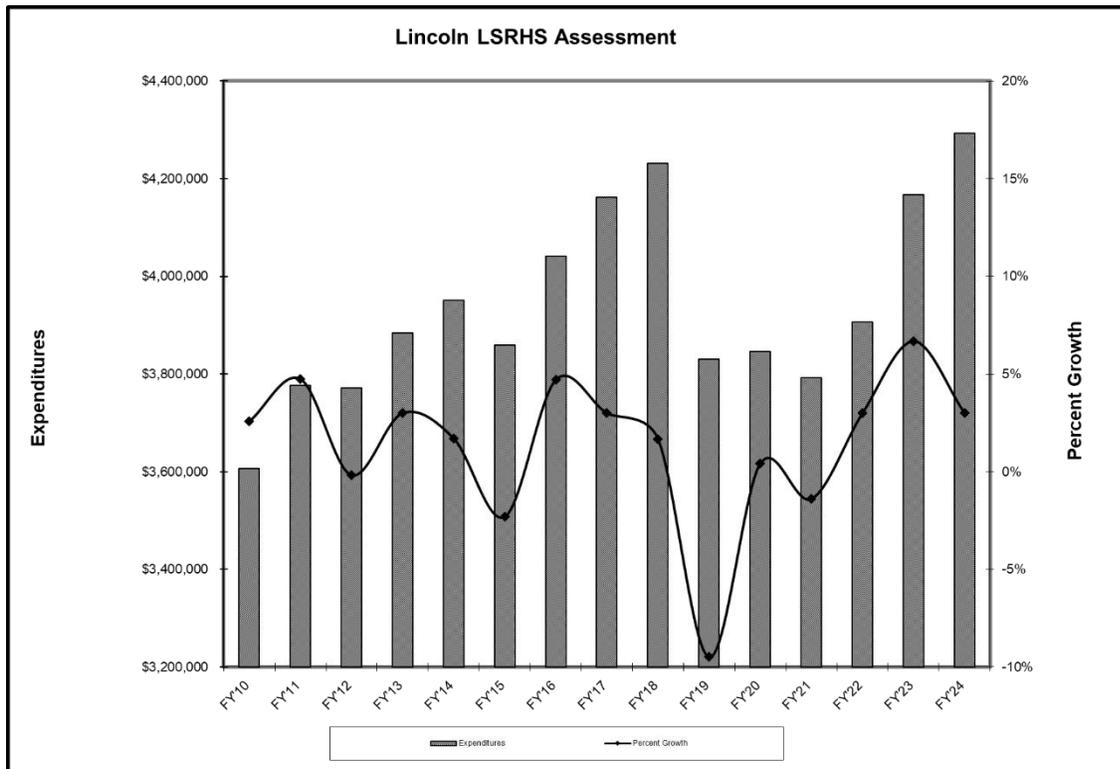
It is possible that the full amount of funding for LSRHS that is available under the Lincoln Finance Committee's guideline will not be required for spending in FY24. The Finance Committee recommends that any allocation to LSRHS that is not required to fund its final budget assessment be transferred to Lincoln's Town Stabilization Fund to use for needs in subsequent years.

Summary:

- The proposed FY24 budget meets Lincoln's budget guideline.
- The proposed budget retains current educational programs, inclusive of modest reductions in personnel due to declining enrollment. It requires higher costs for out-of-district and in-district transportation, level funding for OPEB, significantly increased Out-of-District tuition costs, an increase in health insurance and pension costs, increased projected utility costs, and increased funding for instructional capital.
- The current on-campus enrollment is projected to decline slightly in FY24, and the projection is for steady decline over the next five years.
- The proposed aggregate budget increase is 3.3% (each 1% is \$359,107).
- Lincoln's share of the total assessment for FY23 is 12.6%, up from FY23 and subject to the publication of Governor's FY24 Budget and within that Lincoln's Minimum Required Contribution for LSRHS .
- Lincoln's FY23 total assessment based on the aggregate budget is projected to be \$160,687 higher than FY23.

Warrant Articles

Article 8 (Capital): Exterior Stairwell Design	\$3,328
Article 8 (Capital): Camera Replacement	\$29,684
Article 8 (Capital): Passenger Van Replacement	\$2,412
Article 17: Other Post-Employment Benefits (OPEB) Trust Fund for LSRHS	\$51,348



**Annual Town Report: FY24
Lincoln-Sudbury Regional High School
Executive Summary**

Introduction

The high school serves students from the towns of Lincoln and Sudbury. As such, the school is comprised of students from the Pre-K to 8th Grade “feeder” districts, resident students of the towns that attended non-public schools, and students from Boston who participate in the Metropolitan Council for Educational Opportunity (METCO) program. This section compares Lincoln-Sudbury to the following neighboring and peer districts: Acton-Boxborough, Bedford, Concord-Carlisle, Lexington, Newton, Wayland, Wellesley, and Weston.

The comparative information provided herein is based on the data provided by the State’s Department of Elementary and Secondary Education (DESE). Data for the 2021-2022 school year is the most recent information available. This data is available at <http://profiles.doe.mass.edu>.

Expenditures

The residents of Lincoln and Sudbury provide a high level of support to their regional high school. In turn, the high school provides a high quality educational experience to its students at a fiscally responsible per pupil expenditure. As shown below, Lincoln-Sudbury’s per pupil expenditure in FY22 was \$24,061, slightly above the group average.

District	FY22 Per Pupil Expenditure	Out of District Tuition as % of Budget
Acton-Boxborough	\$18,958	7.8%
Bedford	\$21,373	7.3%
Brookline	\$25,690	3.5%
Concord-Carlisle	\$23,345	8.3%
Lexington	\$21,429	6.6%
Lincoln-Sudbury	\$24,061	13%
Newton	\$23,431	4%
Wayland	\$21,614	1.6%
Wellesley	\$24,183	5.6%
Weston	\$30,296	3.2%
Average:	\$23,438	6.09%

Graduation Rates

There are many data points to determine the effectiveness of the educational program at the high school. The state provides comprehensive analysis of MCAS results. These include scores on standardized tests, such as MCAS, and graduation rates. In the most recent DOE report available, for the class of 2021 Lincoln-Sudbury had a 4-year graduation rate of 96.7%, lower than the average among the peer groups – 97.1%.

4-Year Graduation Rates	
Acton-Boxborough	97.3%
Bedford	95.8%

Concord-Carlisle	98.4%
Lexington	96.9%
Lincoln-Sudbury	96.7%
Newton	95.7%
Wayland	98.3%
Wellesley	96.7%
Weston	98.2%
Group Average:	97.1%

MCAS Results

LSRHS did administer MCAS in May 2022 to the 10th grade class (Class of 2024).

MCAS results from the 2022 “next generation” MCAS scores for 10th graders reveal that 55% of students met expectations and 27% of our tenth grade students exceeded expectations (the highest category) in Math. In 10th grade English, 70% of students met expectations and 14 % of our students exceeded expectations. In 10th grade Science, Technology and Engineering 55% of students met expectations and 20% of our students exceeded expectations.

Class Sizes

With the modest staffing increases and FY23 seeing a small decrease in enrollment, LSRHS has seen a decrease in the percentage of students in classes with 25 students or more, with the median for FY23 being 23 students or less across all subject areas.

The chart below is based on FY23 Semester 1 enrollments.

% of Students in Classes of 25 Students or More

	FY21	FY22	FY23
Computer (Instructional Technology)	61%	49.6%	11.6%
English	36%	15.5%	12.4

Fine, Applied, and Technical Arts (FATA)	19%	9.3%	8.3%
History	39%	36.0%	37.3
Math	33%	13.9%	35.6
Science	44%	35.8%	31.9
Wellness	21%	14.0%	22.7
World Language	26%	19.3%	16.6

Vocational Technical High Schools

FY22 Actual	FY23 Budget	FY24 Proposed
\$ 263,581	\$342,346	\$350,905

General Information

FY18 marked a change in the way in which vocational technical high school services are provided to Lincoln students. As a result, budget estimates for vocational technical high school expenses going forward are less certain than they were in prior years. The Finance Committee’s proposal for FY24 is based on historic enrollments as well as estimated tuition rates and other associated costs.

Through FY17, Lincoln was a member of the Minuteman Regional Vocational Technical High School District (“Minuteman”), a four-year career and technical high school located in Lexington and Lincoln that consisted of 16 member towns. In February 2016, six member towns, including Lincoln, voted to leave the district effective July 1, 2017. In September 2016, the Town of Belmont voted to leave the district effective July 1, 2020. Also in September 2016, a majority of voters in the remaining district towns approved a \$145 million project to construct a new high school, located in Lincoln. That building was completed in 2019.

Having voted to exit the district, Lincoln is not obligated to pay for the debt service associated with the new building project, however, the Town is assessed a “Capital Fee” (currently, about \$8,920 per student). The Town is also still responsible for its share of prior outstanding debt. Lincoln’s share of debt service on prior borrowings is \$6,902 in FY24. Both the Capital Fee and the prior outstanding debt amounts are included in the recommended budget appropriation.

Enrollment

Enrollment of Lincoln students in the vocational technical high school program at Minuteman in recent years ranged between 6 and 11. In 2022, there was 1 student enrolled. The table below shows historic Lincoln enrollments.

Lincoln Vocational Technical High School Enrollment, 2006 to 2022
(measured at 10/1)

School Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lincoln	5	4	2	3	4	4	4	6	6	11	8	11	11	10	8	3	1

Tuition Rates

Beginning in FY18, Lincoln students were eligible to attend vocational technical high school programs at Minuteman or outside of the Minuteman district. At this time, there are no Lincoln resident students attending vocational technical high schools other than Minuteman. The Town has assumed that should students decide to go to another vocational technical high school in FY24, the cost should be offset by the savings in the budget for Minuteman. Along with expanded choices in vocational technical schools, the amount paid by the Town for its vocational technical students could vary by student. With Lincoln’s students considered non-resident students, tuition will be assessed at rates set by the State Commissioner of Education. Historically, the out-of-district tuition rates were lower than those assessed on a per-pupil basis to Minuteman member towns. The table below shows the out-of-district rates applicable at Minuteman and several other nearby regional vocational technical high schools in recent years.

Name	Location	Out of District Tuition			
		FY20	FY21	FY22	FY23 ²
Assabet Valley	Marlborough	\$16,787	\$16,335	\$17,070	\$17,234
Minuteman	Lincoln	\$17,965	\$18,400	\$18,679	\$19,622
Nashoba Valley	Westford	\$17,965	\$18,048	\$18,143	\$18,084
South Middlesex	Framingham	\$17,965	\$18,400	\$18,679	\$19,622

² Final FY24 rates were not available at the time of this printing.

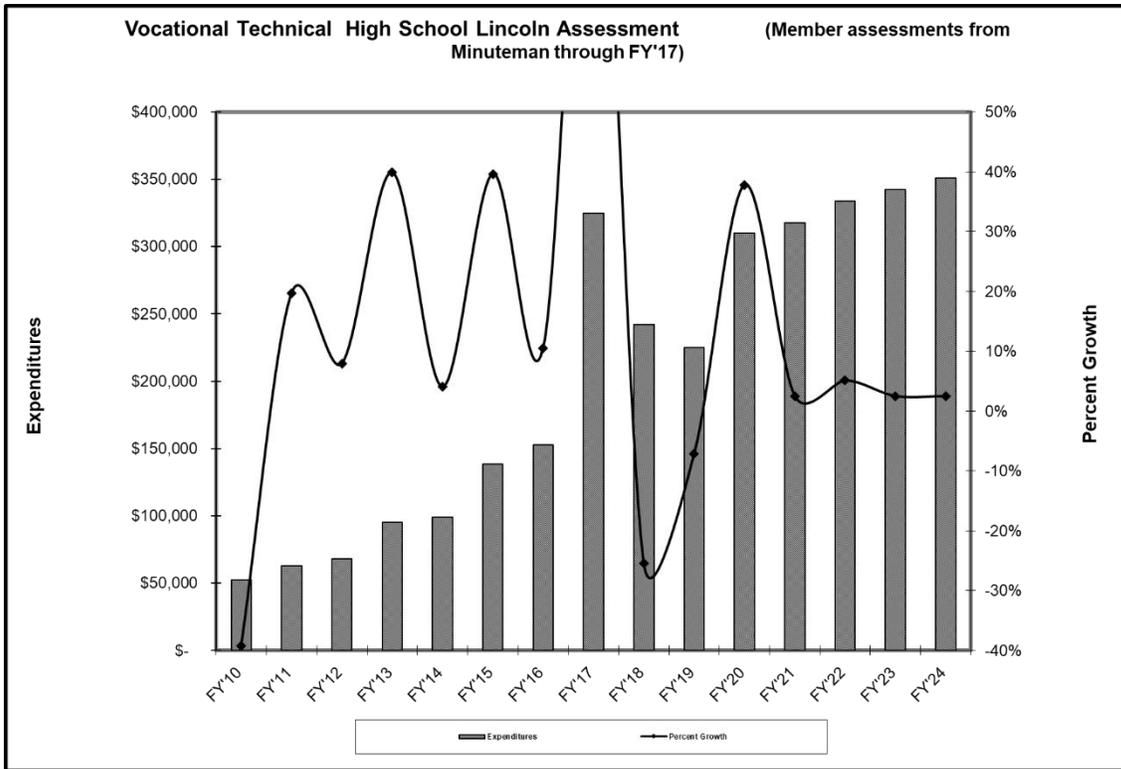
Additional Costs

In addition to out-of-district tuition, some of the vocational technical high schools assess a fee for special education services. Minuteman charges an additional fee of \$7,100 per student for FY23. The Town is also expected to pay for transportation for students to vocational technical schools, the cost of which is currently shared with the Town of Sudbury.

The Finance Committee believes the proposed budget amount would be sufficient to fund Lincoln's share of existing debt service for Minuteman as well as tuition, the Capital Fee, special education services, and transportation costs for high school students who choose to attend a vocational technical high school.

Summary:

- Following Lincoln's decision to exit the Minuteman District, Lincoln high school students who wish to enroll in vocational technical programs have more choice.
- Lincoln students at vocational technical high schools will pay out-of-district tuition rates, which are set by the State.
- The Town also expects to pay transportation costs for Lincoln students enrolled at area vocational technical schools.
- Certain vocational technical high schools in the State assess a per-student fee for special education services.
- Lincoln remains obligated for debt service on borrowings undertaken while the Town was a member of the Minuteman District.
- Beginning in 2020, non-member towns are assessed a Capital Fee for each student who attends Minuteman.



Public Works and Facilities

FY22 Actual	FY23 Budget	FY24 Proposed
\$2,285,065	\$2,120,882	\$2,120,071

General Information

Public Works and Facilities includes Engineering & Consulting, DPW Operation & Maintenance, Snow & Ice Control, Street Lighting, Tree Warden, Building Maintenance, Rubbish Removal, Transfer Station, Facilities, and Cemetery.

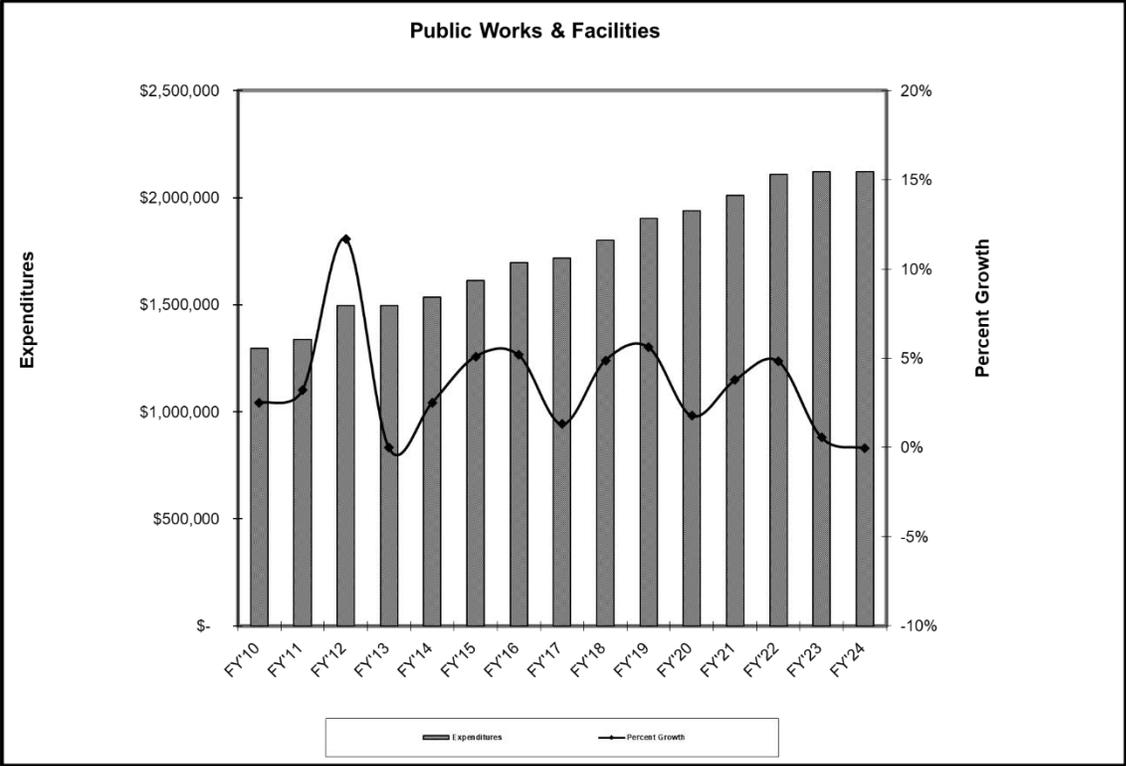
Summary:

- The proposed budget is remaining level with the FY23 budget. Customary increases in salaries and expenses are being offset by a decrease in the Transfer Station budget where an adjustment has been made to better reflect actual spending over the past several years.
- The proposed budget maintains level services. There are no proposed increases in staff.

- All Town labor agreements were renegotiated in FY22. Town budgets include a 2.5% cost of living adjustment for FY24 based on the agreements.
- The State provides annual roadway funding under its Chapter 90 program, typically ranging from \$200,000 - \$250,000. The Town relies on Chapter 90 as its primary source funding for roadway maintenance and improvements. The proposed vote on the warrant is simply to accept the State funding.
- The Town Administrator manages the Town-wide budget for Consulting & Engineering services providing access to civil, environmental, traffic, and other engineering professionals, specialized financial services, health inspections, land use planners, and other specialized support as needed by Town boards and departments. The proposed budget is decreasing slightly in synch with the biannual need for actuarial support services.
- The Town’s energy contracts are increasing as a result of market increases, and the Town’s commitment to contracting for greener supply sources consistent with the 2022 vote of Town Meeting. These increases are reflected in the DPW Building budget.

Warrant Articles

Article 8 (Capital): DPW Replace Pick-up Truck w Utility Body	\$66,000
Article 8 (Capital): DPW Replace Superintendent’s Car	\$35,000
Article 8 (Capital): DPW Replace Transfer Station Compactor	\$47,000
Article 8 (Capital): Bicycle & Pedestrian Advisory Committee Conceptual Design of Biking & Walking Roadways	\$36,000
Article 8 (Capital): DPW Hook Truck Components	\$26,000
Article 18: State Roadway Funds (Chapter 90) - annual vote to accept state highway grant	



Human Services

FY22 Actual	FY23 Budget	FY24 Proposed
\$391,588	\$352,828	\$389,730

General Information

Human Services covers a broad range of programs. It includes the Board of Health, the Council on Aging, Veterans’ Services, and the Minuteman Home Care Membership. The Council on Aging is the largest component. Lincoln has an agreement with Concord that provides for inspection services and health-related technical support.

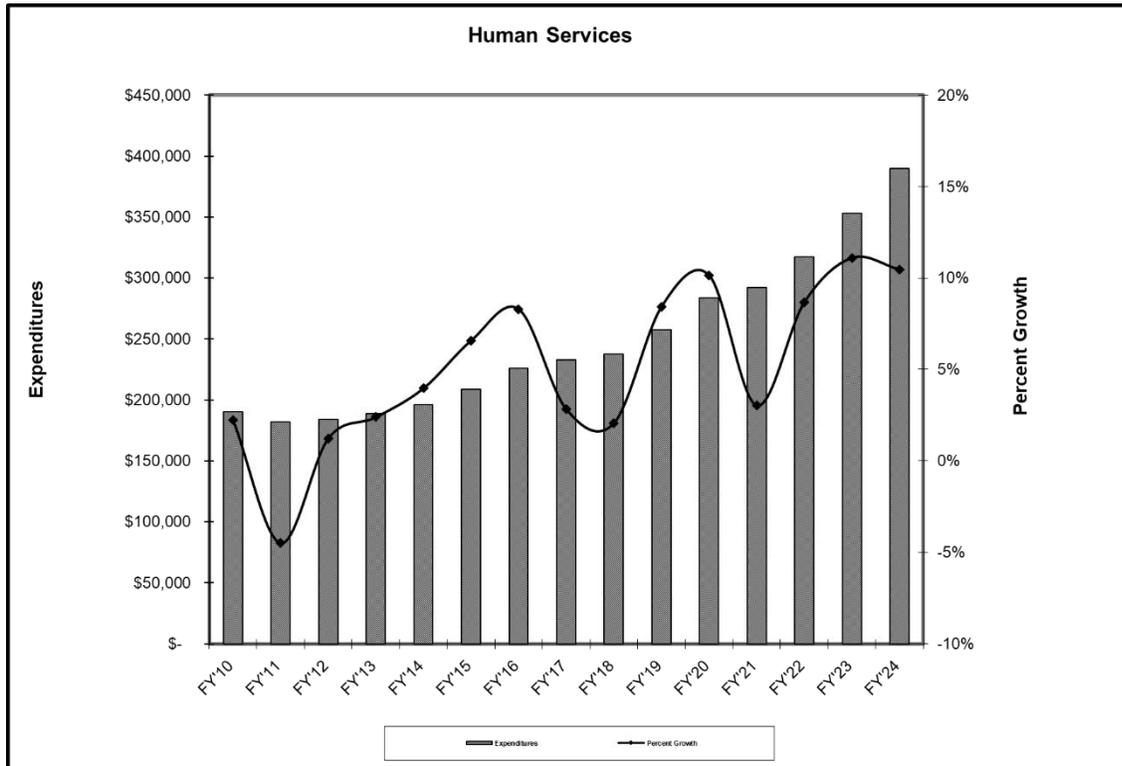
Summary:

- The proposed budget represents an increase of 10.5% over the FY23 budget.
- The proposed budget maintains level services. The part-time Town Nurse position, previously on contract, is being incorporated as a 10-hour per week part-time position.

- All Town labor agreements were renegotiated in FY22. Town budgets include a 2.5% cost of living adjustment for FY24 based on the agreements.

Warrant Articles

Article 5: Senior Tax Work-off Program	\$74,500
Article 6: Veterans Tax Work-off Program	\$5,000
Article 10 (CPA): Housing Rental Assistance Program	\$96,863
Article 10 (CPA): Housing Support Services	\$30,700
Article 10 (CPA): 75 Tower Road Driveway & Erosion Issues	\$32,000
Article 10 (CPA): 75 Tower Road Exterior Repairs	\$70,700
Article 10 (CPA): 65 & 75 Tower Road Radon Remediation	\$5,000
Article 10 (CPA): All housing units, replace heating systems	\$137,800



Recreation, Conservation, Celebrations and Pierce House

	FY22 Actual	FY23 Budget	FY24 Proposed
Recreation	\$522,566	\$565,299	\$579,412
Conservation	\$105,842	\$129,917	\$138,741
Celebrations	\$5,826	\$6,976	\$7,151
Pierce House	\$40,000	\$40,000	\$40,000

General Information

A six-member Parks and Recreation Committee, half elected and half appointed by the Board of Selectmen, oversees the Parks and Recreation Department. Staffed by a director and assistant director, the department provides a range of recreational activities for citizens of all ages. It manages all of the Town’s recreational facilities, including the tennis courts, playgrounds, playing fields and the Codman Pool. The department also operates a children’s summer camp and schedules use of facilities at the Lincoln School campus for after-hours activities.

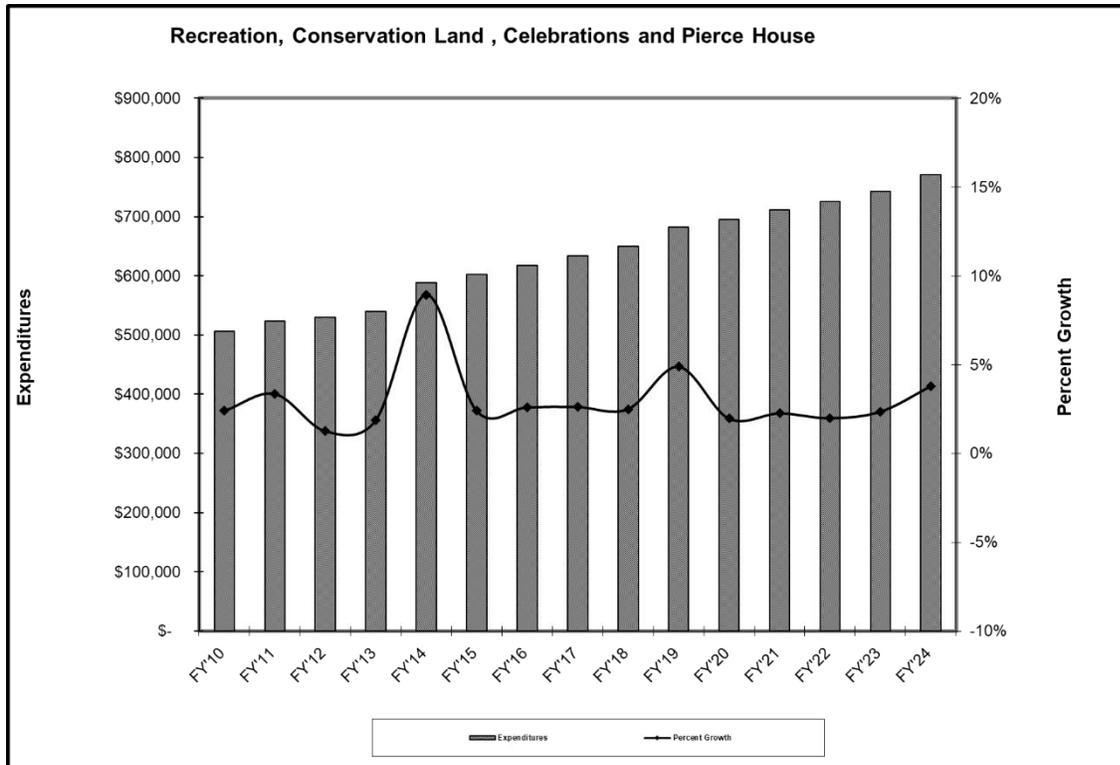
The Parks and Recreation Department also has responsibility for organizing town celebrations, including Memorial Day, all July Fourth festivities, and the Pierce Park Summer Concert Series. The conservation land budget includes expenses for the maintenance and recreational use of conservation land. Personnel costs for the Pierce House are also included in this category.

Summary:

- The proposed budget represents an increase of 3.4% over the FY23 budget.
- The proposed budget maintains level services. There are no proposed increases in staff.
- All Town labor agreements were renegotiated in FY22. Town budgets include a 2.5% cost of living adjustment for FY24 based on the agreements.
- The Historical Commission’s budget includes a new line item of \$5,000 to provide a stipend to compensate a staff member for taking on administrative support duties for the Housing Commission.

Warrant Articles

Article 8 (Capital): Conservation - F350 Pickup with plow & liftgate	\$72,427
Article 8 (Capital): Conservation -Rock rake	\$10,647
Article 8 (Capital): BPAC- Concept. design: biking & walking roadway improvements	\$36,000
Article 10 (CPA): Wang Property Debt Service (prior year vote)	\$107,550
Article 10 (CPA): Improved Trailhead and Wayfinding Signage	\$7,266



Library

FY22 Actual	FY23 Budget	FY24 Proposed
\$1,081,064	\$1,114,341	\$1,148,496

General Information

The Lincoln Public Library provides residents with services and resources that are at a level equal to those found in neighboring towns having higher populations. The library's experienced staff provides a wide range of services for adults, teens, and children seven days a week from October to April, six days a week from May through July, five days a week in August, and six days a week

in September. Free Internet access is available on Town-owned computers in the reference room, children's department, basement, and throughout the library on a wireless connection.

The library trustees and staff continue to manage and maintain the historic and architecturally significant library building and grounds that anchor the town center and include Lincoln's War Memorial.

Summary:

- This budget is a level service budget.
- While the Children's Department returned to exclusively in person programs, many adults enjoyed the convenience of attending programs remotely. In response, we offer some of our programs online and in person at the same time. Hybrid programs increase the library's need for reliable, high-speed Internet connections.
- The library depends on donations raised by The Friends of the Library to pay for special programs for children and adults, special equipment, publicity, printing, and professional development opportunities.
- The Town's energy contracts are increasing as a result of market increases, and the Town's commitment to contracting for greener supply sources consistent with the 2022 vote of Town Meeting. These increases are reflected in the Library Building budget.

Warrant Articles

Article 8 (Capital): Replace Bluestone Terrace	\$47,300
Article 10 (CPA): Library Gund Chimney Repair	\$35,640
Article 12: Annual Library Maintenance	\$61,975

The Library's Vision Statement

The Library will be recognized as one of the town's premier intellectual and cultural centers, serving as a focus for life-long learning and literacy, local written and artistic expression, preservation of local history, access to information technology, and the sharing of knowledge and ideas.

Introduction

The Lincoln Public Library provides all the traditional services people expect from a library while extending services into the Internet. We have 2 full-time staff and 24 part-time staff for a total of 11.1 FTEs including two summer interns. Twelve staff members hold master's degrees in Library Science; one staff member also holds a Master of Arts in Teaching degree; and one staff member also holds a Master of Business Administration degree.

In order to be certified by the Massachusetts Board of Library Commissioners (MBLC), the Library is required to serve anyone who is a resident of Massachusetts. Having MBLC certification makes it possible for the Library to borrow materials from other Massachusetts libraries for Lincoln residents. During FY22 the Library borrowed 33,197 items from other libraries for Lincoln residents and loaned 33,808 items to other libraries for their residents. Most of these inter-library loans were transacted within the Minuteman Library Network (MLN) although some borrower requests were filled from libraries across the U.S. and Canada.

Library Services

- **Adult Services** – While the Library resides in a small town, the educational level of the population demands sophisticated, innovative and cutting-edge materials and programs with a staff that matches those expectations. Our goal is to maintain the highest standards of library service for the entire community.
- **Children’s Services** – Lincoln residents demand high-quality educational programs from their children’s schools. For many children, the Library is their first introduction to a group learning environment. We are dedicated to providing comprehensive and innovative library services for children (from infancy through teenage years) and adults (including parents, educators, and other caregivers).
- **Online Services** – The Library’s website (www.lincolnpl.org) provides a free gateway to research subject information in many databases paid for by the state, MLN, and the Library. Subject areas include consumer affairs, biography, encyclopedias, health, medicine, language-learning, law, investments, genealogy, and science. Users can also do things like research their family history, learn a language or take prep courses and practices tests to pass high school equivalency tests, college admission exams, career exams, and the becoming a U.S. citizen test. Almost 20% of checkouts are digital items (eBooks, eAudiobooks, digital magazines, eMusic, digital newspapers, and eVideos) that people can read on their mobile devices or computers. We expect to deliver more online services in the future. This spring we will redesign the Library’s website so it is optimized for both computer and mobile phone users.
- **The Library as a Commons** – A library that provides a commons environment helps address the need of people to meet and interact with others in their community and to participate in public forums about community issues and broader issues of shared interest and concern. Our goal is to give library patrons ready access to meeting rooms and public spaces.

FY24 Budget

The 2.5% budget increase will allow the Library to maintain the current level of services. We greatly appreciate the support of Lincoln residents who make it possible for us to provide these services.

Accomplishments

- All quantitative measures of service delivery increased in FY22. Patron visits increased more than sixfold and website visits more than doubled. Total circulation was up sharply, but we are still not back to pre-Covid-19 pandemic levels. Eighty two percent of the items that were checked out were physical items (e.g., books, DVDs, magazines, music CDs) and 18% were downloaded or streamed (e.g., eBooks, eMagazines, eAudios, and eVideos).

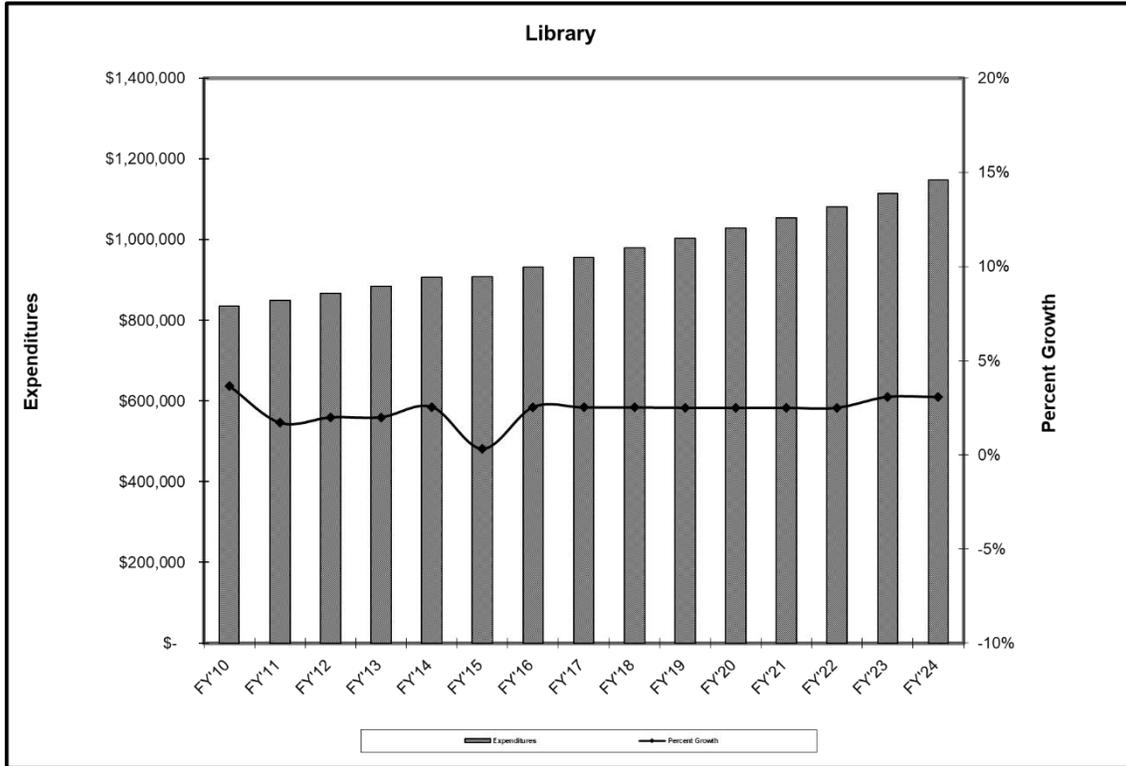
	FY2021	FY2022	% Increase
Physical Circulation	103,652	134,942	30%
Digital Circulation	20,796	28,648	38%
Total Circulation	124,448	163,590	31%
Ratio of Physical to Digital Circ.	80% : 20%	82% : 18%	2% decrease of digital circulation
Hanscom AFB Circulation	2,447	3,245	32%
Reference Questions	4,257	6,092	43%
Programs	340	405	19%
Program Attendance	3,241	4,913	51%
Patron Visits	6,929	48,988	607%
Website Visits	29,915	65,602	119%

- **Collaborations with Lincoln Organizations** – Children’s librarians started book groups at the Lincoln Public Schools, Birches School, and Hanscom Public Schools for middle school students. They also started a homeschoolers’ book club. Visits by children’s librarians to preschools to read stories to children at the Lincoln Public Schools, Hanscom Public Schools, and Magic Garden continued.
- **Library Journal Gives the Library Five Stars** – For 15 years *Library Journal* has used statistics collected nationally by the Institute of Museum and Library Services Public Library Survey to score U.S. public libraries on *Library Journal’s* Index of Public Library Service and awarded star ratings. The FY20 scores and ratings were published in December and Lincoln Public Library received five stars, the highest rating, for its budget category. Each quantitative measure of public library service is an interaction between the library and its patrons so this five star award is for both the library and its patrons. Congratulations to Lincoln for generously supporting and using your library!

Challenges

- Prior to the Covid-19 pandemic our programs were exclusively offered in person. During the Covid-19 pandemic our programs were exclusively on Zoom. Now some of our programs are in person, some are Zoom, and the remainder are a hybrid of in person and Zoom at the same time. We have found that the energy of each kind of program delivery is different and hybrid programs are very challenging. Staff need to be aware of and responsive to the people in the room with them as well as with people on Zoom.

- Before the Covid-19 pandemic, some people used the library as their office space and used the library’s WiFi Internet connection. Now we are receiving more requests from some people for rooms to make their Zoom calls and to work in private.



Debt Service

FY22 Actual	FY23 Budget	FY24 Proposed
\$4,295,800	\$4,760,813	\$4,759,169

General Information

Debt service represents principal and interest payments on the Town’s outstanding loan obligations. It increases when Town Meeting authorizes short-term borrowing or the issuance of bonds. It decreases as the loans or bonds mature. Because principal has traditionally been repaid on a level basis and interest is paid on outstanding balances, debt service is “front loaded” with high payments initially that decline as principal is paid down over time (unlike a mortgage payment

that remains level throughout its life). Some debt, however, such as the debt for the Town Offices renovation, was issued with a hybrid financing structure, with initial years of level debt service (like a home mortgage), converting to level principal payments in later years. This structure has the effect of reducing the front loading effect of the debt, resulting in a smaller impact on property taxes, but does result in more total interest paid out over the life of the bond.

Most recently, the Lincoln School building project is being bonded over a 30 year term and entirely with level debt service due to its large size and the desire by the Finance Committee to best match the impact and term of the debt to the expected lifetime of the renovated buildings. The first tranche of that funding (\$80 million in bonds) was issued in February 2019, out of \$88.5 million of debt authorized for the project. The Town raised the remaining \$8.5 million authorized in March of 2022, with payments starting in September 2022. For FY24, the debt service represents approximately \$3m for interest payments and approximately \$1.7m for principal payments.

The Town of Lincoln continues to maintain the most favorable long-term bond rating available, AAA, from S&P. This rating provides for the lowest borrowing costs available for future indebtedness. Town approval of debt exclusions (i.e. votes to exclude debt service from Proposition 2 ½ property tax limitations) is a positive credit rating factor.

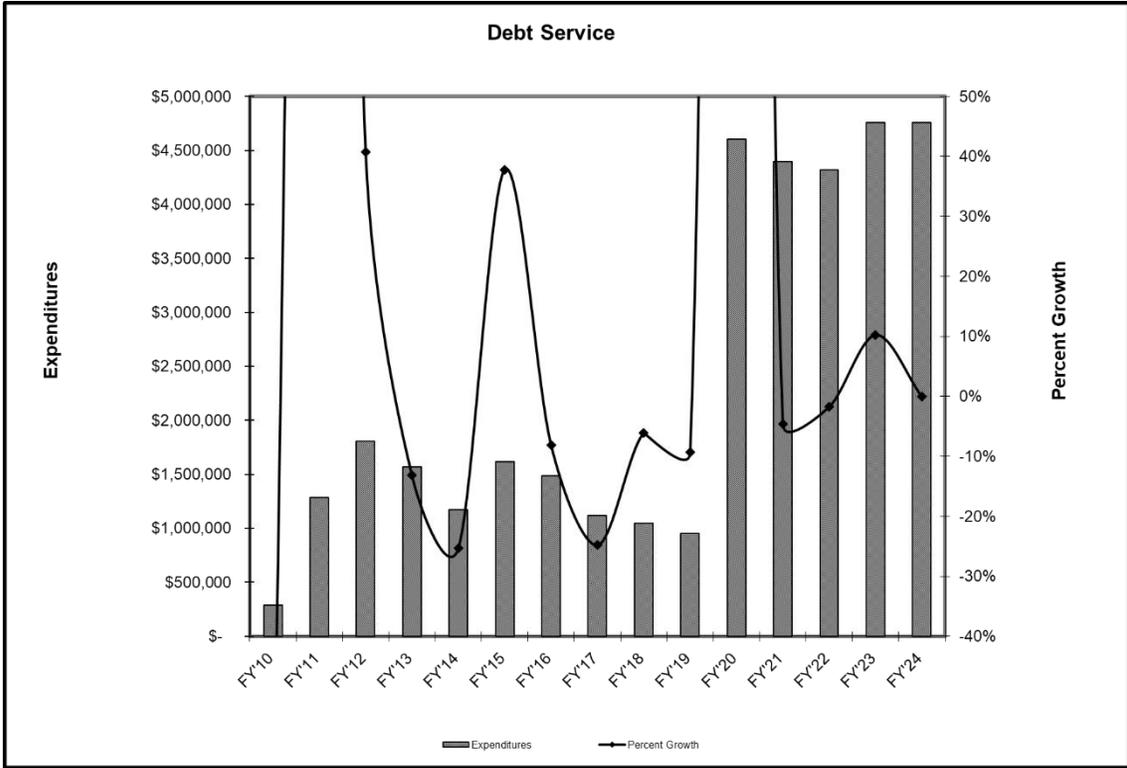
Note: debt service for LSRHS is part of the high school budget and not included in this section of the report.

Summary:

- Projected debt service for FY24 is slightly less than FY23.
- The FY24 amount assumed excludes \$296,060 of debt service on the Town Offices project, that the Community Preservation Committee is recommending be funded with Community Preservation Act (CPA) funds. It also excludes \$107,550 of debt service for the Wang property, which was authorized for CPA funds by a prior year vote.

Warrant Articles

Article 10 (CPA): Wang Property Debt Service (prior year vote)	\$107,550
Article 10 (CPA): Debt Service on Town Office Renovation	\$296,060
Article 14: Debt Stabilization Fund Appropriation	\$1,444,593



Pension and Insurance

FY22 Actual	FY23 Budget	FY24 Proposed
\$6,584,202	\$8,433,422	\$8,768,467

General Information

This category covers health insurance, retirement assessment, unemployment insurance, FICA/Medicare, life insurance, and general insurance, e.g., property and casualty. Overall for FY24, this budget is 4.0% higher than FY23.

The largest component of this category of expense is health insurance, which represents about \$4.5 million, or about 52%, of the FY24 Pensions and Insurance budget. The Town offers health insurance plans to its employees, including employees of the Lincoln Public Schools. Note: school employee health insurance expenses are carried in this line item, not in the K-8 School Budget.

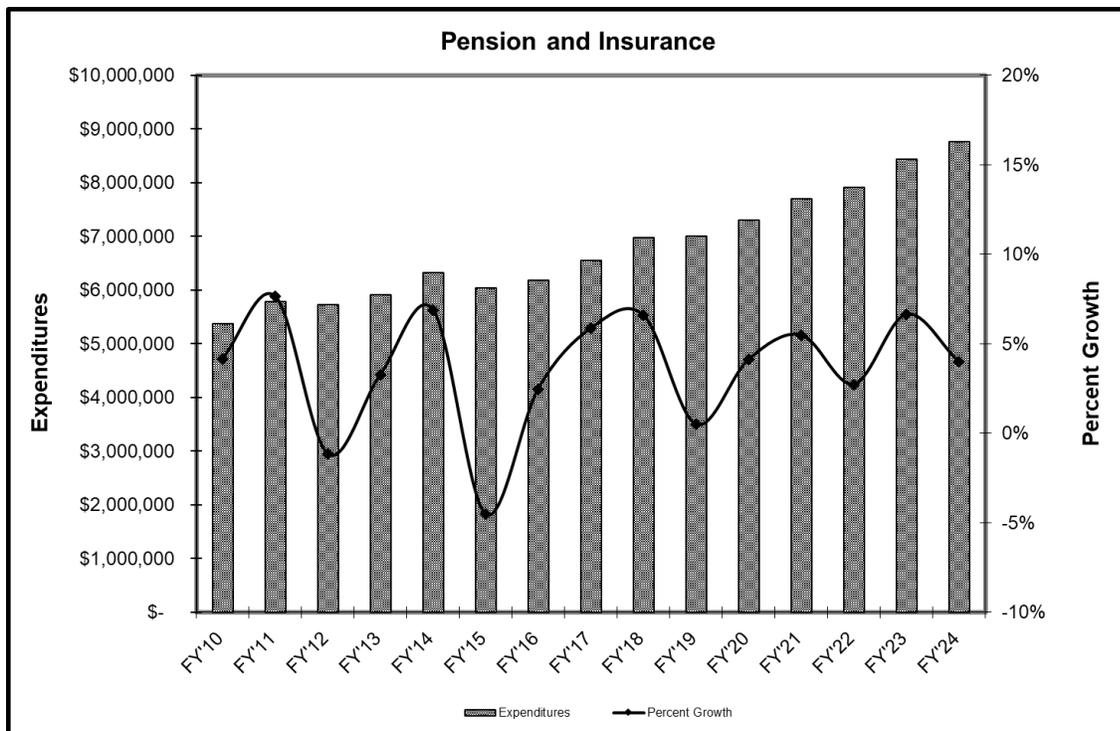
In recent years the Town, with the assistance of the employee unions, has saved approximately \$1.6 million in annual health care costs. The savings result from a number of actions including:

adoption of Section 18, which requires qualified retirees to join Medicare (FY09); health insurance plan design changes (FY12); conversion of health insurance program to Massachusetts Interlocal Insurance Association (MIIA) from self-insurance (FY11); steps to reduce the cost of retiree prescription drug benefits (FY17); plan design changes including an increase in ER co-pay (FY18). In addition, the Town has implemented plan design changes that shifted enrollment to lower premium plans. The Town pays 60% of premium costs.

The Town’s assessment for retirement contributions accounts for about \$3.0 million, or about 35%, of the FY24 Pensions and Insurance budget. Lincoln is a member of the Middlesex Retirement System and contributes annually to a retirement fund that covers public sector employees within the former Middlesex County. The assessment continues to grow each year as employees earn a portion of their retirement with each year of service as well as with the requirement to fully fund the liability by the year 2037. For FY24, the cost is expected to increase by 10.7% compared to FY23.

General Insurance includes worker’s compensation, liability insurance, and the bonding of appropriate Town personnel. The cost of this insurance is expected to be \$602,860 in FY24, a 4% increase over FY23.

The Town also pays for unemployment, life insurance and employee-related FICA/Medicare costs. State and federal law, personnel by-laws, and union contracts determine the Town’s contributions. In combination, these expenses are expected to total \$573,048 in FY24, a 2.5% increase from FY23.



Water Department

	FY22	FY23	FY24
Budget	\$1,931,686 *	\$2,001,301**	\$2,049,390***
Actual	\$1,839,861		
Voted from retained earnings	\$127,600	\$62,500	\$68,000

* FY22 budget also includes a \$50,000 emergency reserve fund that reverts to the water surplus fund if not used.

** FY23 budget includes a \$75,000 emergency reserve fund that reverts to the water surplus fund if not used.

*** FY24 budget includes a \$75,000 emergency reserve fund that reverts to the water surplus fund if not used.

General Information

The Lincoln Water Department (LWD) maintains Lincoln’s water supply and distribution system, providing fire protection capacity and assuring the Town is supplied with an adequate quantity and quality of drinking water. As an Enterprise Fund, its operating budget is funded entirely through fees paid by water consumers. Revenues in excess of operating costs are contributed to retained earnings, which are used as a surplus fund for capital or emergency needs; its balance at the start of FY2023 was \$1,522,391, an increase of \$82,992 from its balance at the beginning of FY2022 of \$1,439,399. Voters at Town Meeting will be asked to take \$25,000 out of retained earnings to fund the buyout of the Toyota Tacoma lease, leaving the retained earnings level at \$1,497,391. An additional \$43,000 is being requested from retained earnings to fund a Lead Line Service Inventory, but since this amount should be repaid from the Clean Water Trust, this item should affect the reserve fund level only for a short time. If the \$75K reserve fund were also used, this would leave retained earnings at \$1,422,391, just shy of the LWD’s historical policy of targeting about \$1.5M in surplus. The expectation is that the higher water rates approved in spring 2020 will continue to increase LWD revenue and enable the LWD to continue to replenish its retained earnings in FY2024, since miscellaneous income, average water consumption over FY2020-2022, and base charges all have been greater than they were at the time of the 2020 rate vote. More significantly, the LWD has benefited greatly from American Rescue Plan Act (ARPA) funds. Combined, this positions the LWD to handle larger emergencies such as breaks in our aging mains, as well as shortfalls in revenues that can occur from lower water usage. It also improves our ability to continue with our valve exercising program, as recommended by the Massachusetts Department of Environmental Protection in their most recent 2021 Sanitary Survey, since the inevitable fragile and failing infrastructure our water operators find when exercising valves can be costly to repair.

Key Issues

- *Staffing:* LWD congratulates Steve Olsen, who left for the Superintendent position in Wellesley. Rick Noll, who has 37 years of experience, is being promoted to the position of Distribution Foreman left open by Steve’s leaving. The plan is to hire a treatment/distribution operator to fill Rick’s position. Both Darin LaFalam, our superintendent, and Gary Tuck, our Water Treatment Plant Manager, have been recognized for professional excellence by the water industry. Mr. Tuck won the Mass Water Works Pride award in 2022. Mr. LaFalam won two New England Water Works Association (NEWWA) Committee Leadership Awards; one

for being the Chairperson of the NEWWA Scholarship Committee for the 2021-2022 season, and one for six years of service as the NEWWA Chairperson of the American Water Works Scale and Corrosion Control Chemical Standard Committee.

- *Capital projects:* Testing of the coagulation system installed at the raw water pump station to reduce the organics from Flint's Pond, has demonstrated reduced TTHMs (a disinfection byproduct from the chlorination of organics) and there have been no further exceedances of LRAA (Locational Running Annual Average). Projects previously funded but still to be completed include upgrading the chemical handling systems at the Tower Road Well, replacing the Tower Road Well, repairing the Bedford Rd storage tank cover, and evaluating the emergency interconnect with Wayland. Test well and a report have been completed; well construction proposal and bidding are due this spring. The needed work for the water tank cover repair is going out to bid this spring. Previous ARPA funding for distribution system repairs has helped with the exercising of valves recommended by the DEP in the recent 2021 Sanitary Survey. At this year's ATM, the LWD will seek to fund the upgrade of the SCADA system (hardware, software and programming), to fund the initial design and engineering work for the Bedford and Lincoln Rd. main replacement, to perform the Lead Service Line Inventory required by the EPA and DEP (to be reimbursed later by the Clean Water Trust), and to buyout the lease of the Toyota Tacoma which expires in April of 2024.
- *Longer-term financial strategic planning:* Lincoln has been invited to join a regional group of towns to consider possible regional membership to MWRA. The time-line on this is still many years out, but it may represent potential benefits over joining as an individual town, both in terms of costs as well as our eligibility to join. With regulatory changes around PFAS and PFOS becoming increasingly more aggressive, in the long-run, there could be economies of scale to be shared across all MWRA members for increased treatment costs to deal with lower Minimum Contaminant Levels for PFAS, PFOS and potentially other related compounds. The LWD department is continuing to plan for much needed, but very costly, water main replacements. To be in the running for large SRF or MassWorks grants for such projects, the LWD must proactively do the engineering work before applying, and in some cases show that the town has voted to fully fund the project as well. Having "shovel-ready" projects is an important criterion to be met for such grants and requires beginning the engineering work in the fiscal year before the funding and commencement of construction, a two-year lead time. Lincoln has 58 miles of water mains, virtually all of which are decades beyond their expected life. Finally, the LWD has begun the Asset Management Plan project which will help inventory, risk manage and triage all LWD assets. Pending this project, there may be other potential long-term strategic and capital-intensive projects to be considered, along with the replacement of water mains and the treatment consequences of stiffer regulatory requirements, as components of any longer-term financial strategic plan.
- *Water rates:* Based on the healthy and desired growth in Retained Earnings in FY22, the Water Commissioners did not hold a rate hearing or consider higher water rates in 2022. Thanks to the modest budget increase in FY23, the proposed budget increase for FY24, and the generous distribution of ARPA funds to the LWD, there is less pressure than there normally would be to begin to raise rates. However, with inflation in personnel and supplies costs, known needed repairs to the water mains and other longer-term considerations, the commissioners may well

raise rates in the next year. Current water rates in Lincoln result in an annual cost of \$656 for a typical use of 70,000 gallons / year, marginally lower than the median of \$704 for neighboring towns, well below the median of \$984 for a sample of eight similarly small towns in MA that, like Lincoln, need to amortize high fixed costs over a small population.

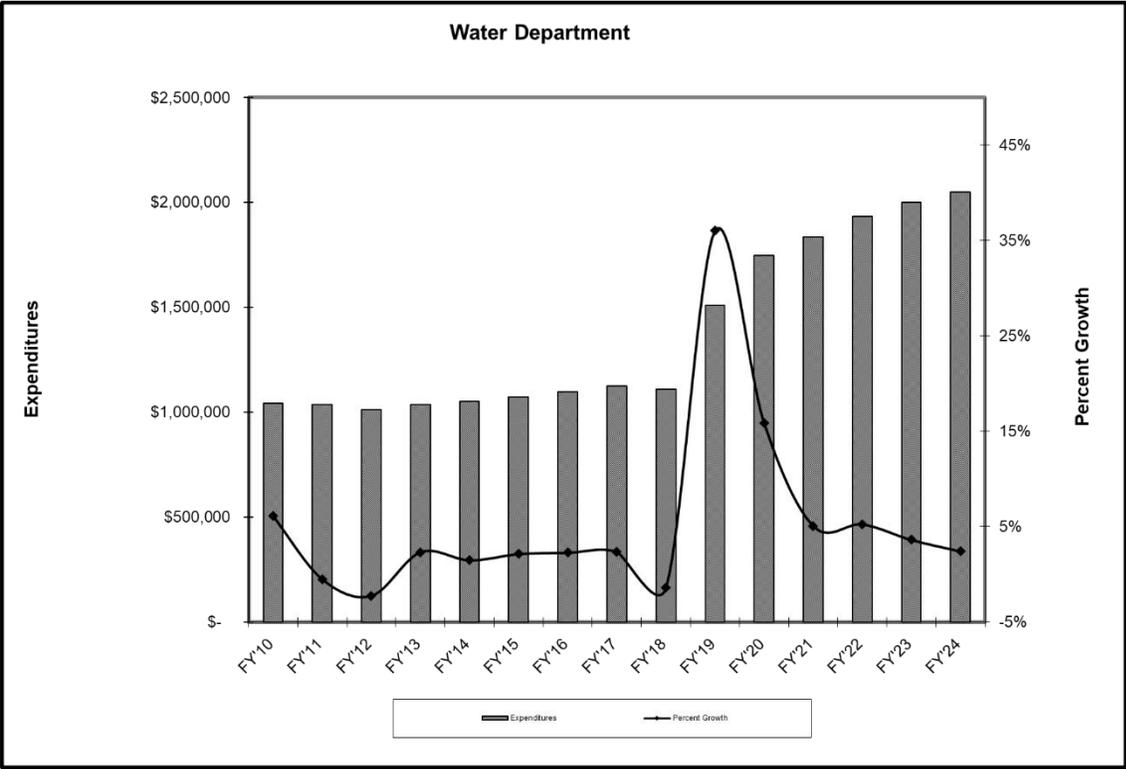
LWD greatly appreciates the ARPA Working Group 2022 funding of the Water Department’s three highest priority projects for FY23. This included \$600,000 for the Tower Road Well replacement project, \$500,000 to recondition the surface of the Bedford Road Storage Tank, and \$200,000 for water distribution system repairs which enabled the Department to tackle much of the backlog of repair projects that accumulated while the Department was understaffed. This funding has also relieved pressure on our operating budget and has helped stave off the need for rate increases.

This year, the LWD asked for ARPA Working Group 2023 funding, this time to help defray the cost of the SCADA upgrade project, and the request was generously approved, resulting in a smaller bonding request at the 2023 ATM. We are very grateful for this additional support of the LWD. Phase 1 of the SCADA project was funded with \$99,430 and Phase 2 with \$45,159, for a total of \$144,589 of the total project need of \$290,000. As a result of this much appreciated federal ARPA funding, LWD’s proposal for FY24 capital appropriations, shown in the table below, are relatively modest compared to prior years. For FY24, LWD is proposing \$278,411 in capital requests, with \$210,411 to come from bonding and \$68,000 to come from water retained earnings.

Below is a preliminary itemization of each warrant amount; please consult the Town Meeting motion for final values.

Warrant Article 22 – Authorize \$278,411 for Water Capital Improvements

Category	Description	Amount	Funding Source
Aging infrastructure	SCADA Upgrade to the Industrial Control System – hardware, software and programming	\$145,411	Bonding
Aging infrastructure	Phase 1 Engineering and Design Report and tests for the Bedford/Lincoln Rd. water main replacement	\$65,000	Bonding
Required by EPA and DEP	Lead Service Line Inventory	\$43,000	Water Retained Earnings
Routine vehicle replacement	Vehicle lease buyout for the Toyota Tacoma	\$25,000	Water Retained Earnings
	Total Water Capital Projects	\$278,411	



**Annual Town Report: FY24
Lincoln Water Department
Executive Summary**

Established in 1874, the Lincoln Water Department (LWD) provides clean, safe drinking water and water for fire protection throughout the Town. The main components of the system are its two sources of supply (Flint’s Pond and the Tower Road well); the raw water pump station and micro-filtration plant on Sandy Pond Road to treat the Flint’s Pond water; the storage tank on Bedford Hill; and the 58 miles of distribution piping and fire hydrants. In addition to the micro-filtration treatment, which provides a multi-barrier approach to raw water protection, both supplies are pH adjusted, treated with a corrosion inhibitor, and are fluoridated for dental hygiene purposes. Flint’s Pond water is chlorinated for disinfection.

Governed by three elected Water Commissioners, LWD is funded entirely by user fees and operates as an Enterprise Fund, meaning that revenues are expected to meet or exceed expenditures on a year-to-year basis, with the surplus (Retained Earnings) held in reserve to fund emergency repairs and system improvements. LWD’s annual operating and capital budgets must be approved by residents at a Town Meeting.

As you can see from the above chart, in general the Water Department has generally kept a tight lid on expenses and expenditure growth, but a combination of increased state regulation, needing

to dramatically increase salaries to recruit trained staff in a very tight market for qualified personnel, a response to an Administrative Consent Order from the DEP for exceedances in disinfection by products in the distribution system, and not keeping up with capital expenditures in the past required large increases in FY19 and FY20 to get back on track. The Commissioners are also keen to follow the Town's best practices, and although as an Enterprise Fund they are not required to do so, since 2021 they have presented LWD's budget to the Finance Committee and LWD's capital requests to the Capital Planning Committee, for any recommended suggestions from those bodies. In FY23 LWD increased its operating budget by 2.4%, and for FY24 is proposing a 2.5% increase in operating budget, both within Finance Committee guidance to town agencies.

Retained Earnings, which peaked in FY19 at \$1,536,091 and subsequently declined to \$749,480 in FY20, based on votes to use retained earnings for capital expenses and to cover budget shortfalls, has now recovered to \$1,522,391 as of the beginning of FY2023, thanks to increases in water rates in 2020, tighter budgeting practices, and the benefit of ARPA funds used for several capital projects. LWD recommends appropriating \$68,000 from retained earnings to cover the capital project described above. If approved, retained earnings would fall to \$1,454,391, still well above the \$500,000 minimum LWD recommends preserving. In addition, the Commissioners hope to continue to grow Retained Earnings in FY24 based on the proposed FY24 Operating Budget relative to the expected revenues generated from the current water rates, so that the Department will be well prepared to handle future unanticipated events in the upcoming fiscal year.

As the Department completes the current list of capital projects, it will also have to deal with aging water mains, many of which are 100+ years old and beyond their expected life, as is true in many towns in Massachusetts. A consultant's report concluded over a decade ago that replacement of these mains and other portions of the distribution system will probably be necessary in the next 20-50 years. The Department is assessing water main replacement priorities. As this report was being written, the Commissioners received planning estimates to replace a 2.7-mile length of cast iron water main at an estimated cost of \$8.47 million. The Commissioners voted to proceed with the Phase 1 Engineering and Design Report for this project, mainly because the water mains between the Bedford Rd. water tank and Ballfield Rd. are known to be in need of replacement, and further segments along Lincoln Rd. to Rt. 117 will be evaluated, triaged and paced according to need.

Future rate increases are inevitable. The capital relief provided by ARPA funds will abate. This means that we will begin to see the LWD having to pay for its normal shorter-and longer-term capital projects with user fees as usual. Longer-term, the need for more capital expenditures on the distribution system, and even the treatment system if DEP's regulation of PFAS, PFOS and disinfection by-products becomes more stringent, continues to grow apace. The Asset Management Plan, once completed, will likely have implications as well for both shorter- and longer-term strategic capital planning. Taken together, these developments will require higher rates to generate the needed revenue to pay for the capital projects. As a result, the Commissioners reasonably expect to need a rate hearing to begin addressing these longer-term issues in the next year.

11. Appendix

**TABLE 1
FISCAL DETAIL
FY 2022-2024**

		ACTUAL EXPENDITURES FY22	CURRENT YEAR BUDGET FY23	PROPOSED BUDGET FY24
GENERAL GOVERNMENT				
1114	MODERATOR	-		
	Personnel Services	-	500	500
	Expense		1,500	1,500
	TOTAL 1114	-	2,000	2,000
1122	SELECT BOARD			
	Personnel Services	200	400	400
	Expense	-	3,000	3,000
	TOTAL 1122	200	3,400	3,400
1124	DIVERSTIY & ANTI-RACISM			
	Personnel Services	-	-	-
	Expense	268	15,000	15,000
	TOTAL 1122	268	15,000	15,000
1290	TOWN OFFICES			
	Personnel Services	1,128,950	1,186,726	1,234,750
	Expense	507,633	577,724	596,264
	TOTAL 1290	1,636,582	1,764,450	1,831,014
11312	FINANCE COMMITTEE			
	Expense	180	625	640
	TOTAL 11312	180	625	640
11322	RESERVE FUND			
	Reserve Fund Appropriation	205,531	760,000	601,000
	TOTAL 11322	205,531	760,000	601,000
1137	ASSESSORS			
	Personnel Services	73,377	72,776	76,370
	Expense	89,992	99,800	102,250
	TOTAL 1370	163,369	172,576	178,620
11512	LAW DEPARTMENT			
	Expense	102,091	92,500	82,500
	TOTAL 11512	102,091	92,500	82,500
1590	TOWN ARCHIVES			
	Personnel Services	21,446	24,947	25,073
	Expense	1,144	1,242	1,771
	TOTAL 1590	22,589	26,189	26,844
1161	TOWN CLERK			
	Personnel Services	205,088	234,761	256,152
	Expense	7,722	11,595	11,597
	TOTAL 1161	212,810	246,356	267,749
1162	REGISTRAR OF VOTERS			
	Personnel Services	400	7,341	8,450
	Expense	11,242	16,300	15,782
	TOTAL 1162	11,642	23,641	24,232

1171	CONSERVATION COMMISSION			
	Personnel Services	165,316	175,553	184,213
	Expense	2,904	4,237	4,250
	TOTAL 1171	168,220	179,790	188,463
1172	GREEN ENERGY COMM			
	Personnel Services	2,500	5,000	5,000
	Expense		2,500	2,500
	TOTAL 1171	2,500	7,500	7,500
1175	PLANNING BOARD			
	Personnel Services	203,507	210,987	218,740
	Expense	4,351	8,500	9,800
	TOTAL 1175	207,857	219,487	228,540
1176	BOARD OF APPEALS			
	Personnel Services	31,016	32,632	32,900
	Expense	2,369	2,950	3,240
	TOTAL 1176	33,384	35,582	36,140
1792	AGRICULTURAL COMMISSION			
	Personnel Services		1,243	
	Expense	6,070	5,002	6,401
	TOTAL 1792	6,070	6,245	6,401
1195	TOWN REPORT			
	Expense	26,269	30,000	30,000
	TOTAL 1195	26,269	30,000	30,000
1191	TOWN BUILDINGS			
	Personnel Services		-	69,000
	Expense	131,696	175,320	140,223
	TOTAL 1991	131,696	175,320	209,223
TOTALS FOR GENERAL GOVERNMENT		2,931,260	3,760,661	3,739,266
PUBLIC SAFETY				
1211	POLICE DEPARTMENT			
	Personnel Services	1,688,967	1,767,844	1,797,655
	Expense	118,023	131,222	138,822
	TOTAL 1211	1,806,990	1,899,066	1,936,477
1221	FIRE DEPARTMENT			
	Personnel Services	1,615,581	1,656,225	1,699,205
	Expense	66,772	69,500	71,240
	TOTAL 1221	1,682,352	1,725,725	1,770,445
1231	EMERGENCY MEDICAL SERVICES			
	Personnel Services	82,218	86,100	86,750
	Expense	29,707	30,233	30,989
	TOTAL 1231	111,925	116,333	117,739
1249	BUILDING DEPARTMENT			
	Personnel Services	228,789	229,156	229,610
	Expense	3,549	13,636	15,932
	TOTAL 1249	232,337	242,792	245,542
1251	COMMUNICATIONS CENTER			
	Personnel Services	346,409	368,013	375,175
	Expense	38,257	41,605	44,683
	TOTAL 1251	384,666	409,618	419,858

1291	EMERGENCY MANAGEMENT			
	Personnel Services	3,000	5,000	5,000
	Expense	11,873	12,321	12,762
	TOTAL 1291	14,873	17,321	17,762
1292	DOG OFFICER			
	Expense	8,402	12,000	12,000
	TOTAL 1292	8,402	12,000	12,000
1299	PUBLIC SAFETY BUILDING			
	Personnel Services	-	-	-
	Expense	103,175	116,065	142,168
	TOTAL 1299	103,175	116,065	142,168
TOTALS FOR PUBLIC SAFETY		4,344,721	4,538,920	4,661,991
EDUCATION				
1310	LOCAL SCHOOL SYSTEM			
	Personnel Services & Expense	11,972,395	12,655,921	13,355,422
	TOTAL 1310	11,972,395	12,655,921	13,355,422
1331	LINCOLN-SUDBURY REG HS			
	Regional School District Assessment	3,906,750	4,167,628	4,292,657
	TOTAL 1331	3,906,750	4,167,628	4,292,657
1333	VOCATIONAL SCHOOL ASSESSMENT(S)			
	Regional School District Assessment	263,581	342,346	350,905
	TOTAL 1332	263,581	342,346	350,905
TOTALS FOR EDUCATION		16,142,726	17,165,895	17,998,984
PUBLIC WORKS & FACILITIES				
1411	ENGINEERING & CONSULTING			
	Expense	203,778	148,000	138,000
	TOTAL 1411	203,778	148,000	138,000
1422	DPW OPERATION & MAINTENANCE			
	Personnel Services	770,119	814,100	834,900
	Expense	470,753	383,540	387,690
	TOTAL 1422	1,240,872	1,197,640	1,222,590
1423	DPW SNOW & ICE CONTROL			
	Personnel Services	88,817	87,890	90,130
	Expense	356,464	234,700	240,500
	TOTAL 1423	445,281	322,590	330,630
1424	STREET LIGHTING			
	Expense	11,067	14,000	14,000
	TOTAL 1424	11,067	14,000	14,000
1427	TREE WARDEN			
	Expense	7,844	8,300	8,500
	TOTAL 1427	7,844	8,300	8,500
1429	DPW BUILDING			
	Expense	26,233	35,620	35,896
	TOTAL 1429	26,233	35,620	35,896

1434	TRANSFER STATION			
	Personnel Services	55,011	55,600	57,000
	Expense	197,393	234,000	206,700
	TOTAL 1434	252,403	289,600	263,700
1435	FACILITIES DEPARTMENT			
	Personnel Services	71,661	69,594	71,769
	Expense	1,755	2,406	2,526
	TOTAL 1435	73,415	72,000	74,295
1491	CEMETERY DEPARTMENT			
	Personnel Services	8,233	15,784	7,100
	Expense	15,939	17,348	25,360
	TOTAL 1491	24,172	33,132	32,460
TOTALS FOR PUBLIC WORKS & FACILITIES		2,285,065	2,120,882	2,120,071
HUMAN SERVICES				
1511	BOARD OF HEALTH			
	Personnel Services			32,000
	Expense	46,499	46,377	33,477
	TOTAL 1511	46,499	46,377	65,477
1522	MINUTEMAN HOME CARE			
	Expense	1,556	1,594	1,634
	TOTAL 1522	1,556	1,594	1,634
1541	COUNCIL ON AGING			
	Personnel Services	213,399	246,964	262,149
	Expense	16,044	16,550	18,094
	TOTAL 1541	229,442	263,514	280,243
1543	VETERANS' SERVICES			
	Personnel Services	5,100	5,202	5,332
	Expense	108,990	36,141	37,044
	TOTAL 1543	114,090	41,343	42,376
TOTALS FOR HUMAN SERVICES		391,588	352,828	389,730
CULTURE & RECREATION				
1611	LIBRARY			
	Personnel Services	755,971	794,173	822,402
	Expense	199,924	245,418	240,104
	TOTAL 1611	955,895	1,039,591	1,062,506
1612	LIBRARY BUILDING			
	Expense	58,358	74,750	85,990
	TOTAL 1612	58,358	74,750	85,990
1631	RECREATION DEPARTMENT			
	Personnel Services	397,805	416,779	429,190
	Expense	124,761	148,520	150,222
	TOTAL 1631	522,566	565,299	579,412
1651	CONSERVATION LAND			
	Personnel Services	89,607	118,894	127,718
	Expense	16,235	11,023	11,023
	TOTAL 1651	105,842	129,917	138,741
1661	CELEBRATIONS COMMITTEE			
	Expense	5,826	6,976	7,151
	TOTAL 1661	5,826	6,976	7,151

16931	PIERCE HOUSE			
	Personnel Services	40,000	40,000	40,000
	TOTAL 16931	40,000	40,000	40,000
16911	Historical Commission			
	Personnel Services	-	-	5,000
	Total 16911	-	-	5,000
TOTALS FOR CULTURE & RECREATION		1,688,486	1,856,533	1,918,800
DEBT SERVICE				
1791	INTEREST SHORT-TERM DEBT/ISSUANCE COSTS			
	Expenses	2,600	25,000	25,000
	TOTAL 1791	2,600	25,000	25,000
17753	TOWN OFFICES RENOVATION			
	Principal Long-Term Debt	-	-	-
	Interest on Short Term Debt	-	-	-
	TOTAL 17753	-	-	-
17755	2019 SCHOOL BUILDING PROJECT			
	Principal Long-Term Debt	1,435,000	1,640,000	1,765,000
	Interest on Long Term Debt	2,858,200	3,095,813	2,969,169
	TOTAL 17755	4,293,200	4,735,813	4,734,169
TOTALS FOR DEBT SERVICE		4,295,800	4,760,813	4,759,169
UNCLASSIFIED				
INSURANCE				
1911	RETIREMENT ASSESSMENT			
	Expense	2,420,283	2,754,456	3,050,494
	TOTAL 1911	2,420,283	2,754,456	3,050,494
1913	UNEMPLOYMENT INSURANCE			
	Personnel Services	16,209	39,078	40,055
	TOTAL 1913	16,209	39,078	40,055
1914	HEALTH INSURANCE			
	Personnel Services	3,330,906	4,510,580	4,510,580
	Expense	1,615	31,485	31,485
	TOTAL 1914	3,332,521	4,542,065	4,542,065
1915	LIFE INSURANCE			
	Personnel Services	7,018	10,686	10,953
	TOTAL 1915	7,018	10,686	10,953
1916	FICA/MEDICARE			
	Personnel Services	414,009	509,307	522,040
	TOTAL 1916	414,009	509,307	522,040

1942	GENERAL INSURANCE			
	Expense	394,161	577,830	602,860
	TOTAL 1942	394,161	577,830	602,860
TOTALS FOR UNCLASSIFIED		6,584,202	8,433,422	8,768,467
TOTALS FOR GENERAL FUND		38,663,847	42,989,954	44,356,478
WATER ENTERPRISE FUND				
61451	WATER DEPARTMENT			
	Personnel Services	595,190	650,526	732,990
	Expense	1,244,671	795,775	901,400
	SUB-TOTAL	1,839,861	1,446,301	1,634,390
	Capital Outlay		480,000	340,000
	TOTAL 61451	1,839,861	1,926,301	1,974,390
614513	WATER DEPARTMENT			
	Emergency Reserve	-	75,000	75,000
	TOTAL 614513	-	75,000	75,000
TOTALS FOR WATER ENTERPRISE FUND		1,839,861	2,001,301	2,049,390
APPROPRIATION SUMMARY -				
GENERAL GOVERNMENT		2,931,260	3,760,661	3,739,266
PUBLIC SAFETY		4,344,721	4,538,920	4,661,991
EDUCATION		16,142,726	17,165,895	17,998,984
PUBLIC WORKS & FACILITIES		2,285,065	2,120,882	2,120,071
HUMAN SERVICES		391,588	352,828	389,730
CULTURE & RECREATION		1,688,486	1,856,533	1,918,800
DEBT SERVICE		4,295,800	4,760,813	4,759,169
UNCLASSIFIED		6,584,202	8,433,422	8,768,467
WATER DEPARTMENT		1,839,861	2,001,301	2,049,390
TOTAL - ARTICLE 7		40,503,708	44,991,255	46,405,868

Donaldson Auditorium
TOWN OF LINCOLN, MASSACHUSETTS

ANNUAL TOWN MEETING
Saturday, March 25, 2023, at 9:30 a.m.
2023 WARRANT



TOWN OF LINCOLN

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, ss

To either of the Constables of the Town of Lincoln in said County:

GREETINGS:

In the name of the Commonwealth you are hereby required to notify the legal voters of said Town of Lincoln qualified to vote at Town Meeting for the transaction of Town Affairs to meet for the **Annual Election (Article 1) at the Reed Gymnasium at the Lincoln School at 6 Ballfield Road in said Lincoln on Monday, the twenty seventh day of March, 2023 next, with the polls to be open at 7:30 a.m. and closed at 8:00 p.m.**, then and there to act on the following Article 1, and also to meet for the **Annual Town Meeting in the Donaldson Auditorium at the Lincoln School at 6 Ballfield Road in said Lincoln on Saturday, the twenty fifth day of March, 2023 at 9:30 a.m.**, then and there to act on the following articles, except Article 1, by posting a copy of this Warrant, by you attested, in said Town, seven days at least before the 25th day of March next.

Public Health Note: In recognition of ongoing public health concerns, protective measures are being implemented to enable town meeting to proceed in the safest possible manner. Said measures include following all local Board of Health mandates and recommendations, encouraging the use of masks if not mandated, broadcasting the meeting in the Reed Gymnasium to allow participants maximum opportunity to socially distance, making full use of the so-called "consent calendar" to expedite the voting process, and virtual presentations in advance of town meeting to minimize discussion time during town meeting. Our mitigation plans were developed in consultation with the Lincoln Board of Health and our public health nurse.

Additional Dates: In the event meeting business cannot be completed within the time allotted for the meeting, per the discretion of the moderator, town meeting will be continued on Tuesday, March 28th at 7:00 p.m.

Accommodations: Any person requiring this warrant in a larger print format, or in need of other meeting accommodations is urged to contact the Select Board's Office at 781-259-2601 prior to Wednesday, March 15, 2023. Every reasonable attempt will be made to provide the necessary assistance.

ARTICLE 1

To bring in their votes for one or more members of each of the following offices:

- Board of Assessors - one seat for three years
- Board of Health - one seat for three years
- Cemetery Commission - one seat for three years
- Commissioners of Trust Funds - one seat for three years
- Housing Commission - one seat for three years
- Housing Commission - one seat for two years
- Lincoln-Sudbury Regional District School Committee - two seats for three years each
- Moderator - one seat for three years
- Parks and Recreation Committee - one seat for three years
- Planning Board - two seats for three years
- K-8 School Committee - two seats for three years
- Select Board - one seat for three years
- Bemis Trustee - one seat for three years
- Water Commissioner - one seat for three years
- Water Commissioner - one seat for two years
- Water Commissioner - one seat for one year

ARTICLE 2

To bring in their votes for any Committees, Commissioners, Trustees, and other officers required by law to be elected by ballot or otherwise.

Select Board

ARTICLE 3

To receive and act upon the reports of the Town Officers, Committees, Commissioners and Trustees.

Select Board

ARTICLE 4

To see if the Town will vote to fix the salaries and compensation of the several elective officers of the Town and to determine whether any Department, Board or Committee shall be authorized to employ for additional compensation any of its members and to fix additional compensation of such members; or take any other action relative thereto.

Select Board

ARTICLE 5

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, or otherwise, to fund the Town's Senior Tax Work-off Program, as established pursuant to Massachusetts General Laws, Chapter 59, Section 5K, as it may be amended from time to time; or take any other action relative thereto.

Select Board

ARTICLE 6

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, or otherwise, to fund the Town's Veteran Tax Work-off Program, as established pursuant to Massachusetts General Laws, Chapter 59, Section 5N, as it may be amended from time to time; or take any other action relative thereto.

Select Board

ARTICLE 7

To see if the Town will vote to raise and appropriate a sum of money for the necessary and expedient purposes of the Town for Fiscal Year 2024; or take any other action relative thereto.

Finance Committee

ARTICLE 8

To receive and act upon a report of the Capital Planning Committee on the Fiscal Year 2024 Capital Budget, and to see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, including stabilization funds, by borrowing or any combination thereof, to purchase and equip various capital items, or to fund capital projects all as recommended by the Capital Planning Committee, including all costs incidental and related thereto; or take any other action relative thereto.

Capital Planning Committee

ARTICLE 9

To see if the Town will vote, in accordance with the provisions of MGL, c. 44, s. 53E ½ and Section 1. of Article XXVIII of the Lincoln General By-laws, to increase the annual expenditure limit for the Ambulance Revolving Fund; or take any other action relative thereto.

Select Board

ARTICLE 10

To receive and act upon a report from the Community Preservation Committee on the Fiscal Year 2024 Community Preservation Budget, and to appropriate or reserve for later appropriation monies for the administrative expenses of the Community Preservation Committee, the payment of debt service, the undertaking of Community Preservation projects and all other necessary and proper expenses for the year, and to determine whether such sums shall be raised from the Community Preservation Fund, transferred from available funds, borrowed, or any combination thereof; or take any other action relative thereto.

Community Preservation Committee

ARTICLE 11

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, by borrowing or any combination thereof, to be used for the repair and maintenance of certain Town buildings, including all costs incidental and related thereto; or take any other action relative thereto.

Select Board

ARTICLE 12

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, by borrowing or any combination thereof, to be used for the repair and maintenance of the Lincoln Library, including all costs incidental and related thereto; or take any other action relative thereto.

Library Trustees

ARTICLE 13

To receive and act on a recommendation from the Select Board with regard to the presentation of the annual Bright Light Award, and to appropriate and transfer from Free Cash a sum of money to support this award; or take any other action relative thereto.

Select Board

ARTICLE 14

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds (including any amount appropriated under Article 7) that exceeds the final Lincoln assessment voted no later than July 31st, by the Lincoln Sudbury Regional High School Committee for the fiscal year 2024, in accordance with law, by borrowing or any combination thereof, to add funds to the Debt Stabilization Fund, so called, previously established in accordance with Massachusetts General Laws, Chapter 40, Section 5B at the March 26, 2011 Annual Town Meeting, Article 19, for the purpose of funding future debt service obligations; or take any other action relative thereto.

Finance Committee

ARTICLE 15

To see if the Town will vote to amend the vote taken under Article 11 of the March 2022 Annual Town Meeting warrant which stated: *“That the Town vote to appropriate from Free Cash \$350,000 to remove the modular classrooms at the Lincoln School, located at Ballfield Road, and restore the ballfield surface, including demolition, breakdown, site preparation, design and engineering, including all other costs incidental thereto.”* by expanding the scope of the original vote to allow the funds appropriated thereunder to be used to complete the school building project authorized under Article 1 of the December 1, 2018 Special Town Meeting; or take any other action relative thereto.

School Committee

ARTICLE 16

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, by borrowing or any combination thereof, to add funds to the Group Insurance Liability Fund established by Chapter 474 of the Acts of 2008, which Fund will help offset the Town’s so-called “Other Post-employment Benefits (OPEB)” liability established by Statements 74 and 75 of the Governmental Accounting Standards Board; or take any other action relative thereto.

Finance Committee

ARTICLE 17

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, by borrowing or any combination thereof, to add funds, representing Lincoln’s proportionate share

of the contribution recommended by the LSRHS School Committee, to the Lincoln Sudbury Regional School District Retirees Health Insurance Trust Fund, established by the acceptance of Chapter 32B, Section 20 of the Massachusetts General Laws, for Lincoln Sudbury Regional High School, which Fund will help offset the High School's so-called "Other Post-employment Benefits (OPEB)" liability established by Statements 74 and 75 of the Governmental Accounting Standards Board; or take any other action relative thereto.

Finance Committee

ARTICLE 18

To see if the Town will vote to accept and expend such sum or sums of money that may be available under the provisions of Massachusetts General Laws, Chapter 90 or any other state roadway reimbursement programs and to authorize the Select Board to enter into a contract with the Massachusetts Department of Transportation Highway Division for such purposes and further to authorize the Treasurer, with the approval of the Select Board, to borrow in anticipation of 100% reimbursement of said amounts; or take any other action relative thereto.

Select Board

ARTICLE 19

To see if the Town will vote to transfer from Free Cash a sum of money equal to the state reimbursement amount for Special Education Medicaid expenses to supplement the Fiscal Year 24 Lincoln School operating budget; or take any other action relative thereto.

School Committee

ARTICLE 20

To see if the Town will vote to appropriate a sum of money from the PEG Access and Cable Revolving Fund, established under Article 32 of the March 19, 2016 Town Meeting, to support cable related purposes consistent with the franchise agreement between cable operators and the Town of Lincoln, including, but not limited to: (i) support of public, educational or governmental access cable television services; (ii) monitor compliance of the cable operator with the franchise agreement; and/or (iii) prepare for renewal of the franchise license; or take any other action relative thereto.

Select Board

ARTICLE 21

To see if the Town will vote to appropriate and transfer from Free Cash or any other source of funds a sum of money to reduce the total amount to be raised by taxation pursuant to the votes previously taken under Article 7 of this Warrant, or any other article of this Warrant authorizing the appropriation of funds from taxation; or take any other action relative thereto.

Finance Committee

ARTICLE 22

To see if the Town will vote to raise and appropriate, transfer from available funds, including bond proceed balances from previously authorized projects in accordance with the provisions of G.L. c.44, s. 20, and/or borrow a sum of money or any combination thereof, to purchase and equip various capital items, and/or to fund capital projects of the Water Department, as recommended by the Water Commissioners, including all costs incidental or related thereto, and to authorize the Treasurer, with the approval of the Select Board, to borrow all or a portion of said funds under the provisions of G.L. c.44 or any other enabling authority and to issue bonds or notes of the Town therefor; that such bonds or notes shall be general obligations of the Town unless the Treasurer with the approval of the Select Board determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C, as amended, it being the intent of the Town, however, in either such case that the entire principal of and interest on such bonds or notes shall be paid from water rates and/or surplus; that the Treasurer with the approval of the Select Board is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust established pursuant to Chapter 29C, as amended and in connection therewith to enter into a financing agreement and/or security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; that the Select Board, Board of Water Commissioners or other appropriate local body or officials be authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary or convenient to carry out the projects; or take any other action relative thereto.

Water Commission

ARTICLE 23

To see if the Town will vote to rescind the vote under Article 22 of the May, 2021 Annual Town Meeting which authorized borrowing for the purpose of replacing the Tower Road well; or take any other action relative thereto.

Water Commission

ARTICLE 24

To see if the Town will vote to add a property to the existing Town of Lincoln Historic District under Section 1.1 of Article XXV (Historic District) of the Town of Lincoln General By-Laws, the location and boundary of which proposed addition are shown on plans to be filed with the Lincoln Town Clerk and the Massachusetts Historical Commission and to be recorded with the Middlesex South Registry of Deeds; or take any other action relative thereto.

Historic District Commission

Article 25

To see if the Town will vote to amend its Zoning By-Law by amending Section 6.6, Cluster Developments, to make it consistent with MGL, c. 40A the Zoning Act, such as to remove the specific mandates requiring that a proponent of a cluster development give the Town and /or the Lincoln Land Conservation Trust interests in land as part of the approval process; or take any other action relative thereto.

Planning Board

Article 26

To see if the Town will vote to amend its Zoning By-Law by amending Section 14.3 Accessory Apartments in an R-1 District to allow accessory apartments by right within the principal dwelling unit and to streamline the permitting process for an accessory apartment in an accessory structure by deleting the requirement of a Planning Board recommendation to the Board of Appeals; or take any other action relative thereto.
This is Final

Planning Board

ARTICLE 27

To see if the Town will vote to amend its Zoning By-Law by amending Section 10 B-2 Business District in order to allow certain residential, business and mixed uses by right, and to be known as the Mixed-Use Village District with associated development requirements, design criteria, and permitting process as substantially on file with the Town Clerk; or take any other action relative thereto.

Planning Board

Article 28

To see if the Town will vote to amend its Zoning By-Law by amending Section 12.6, Wireless Communications Facilities District, to carve out an exception to the requirement of a special permit for modifications or addition of equipment that qualify as “Eligible Facilities Requests” pursuant to Section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012, Publ. L. 112-96 (also known as the “Spectrum Act”); or take any other action relative thereto.

Planning Board

ARTICLE 29

To see if the Town will vote to adopt the 2023 Opt-in Stretch Energy Code available for adoption after December 22, 2022, as set forth in 225 CRM 22.00 and Appendix RC (residential construction) and 225 CMR 23.00 and Appendix CC (commercial and all other construction, including most multi-family construction) to ensure that new construction is consistent with a 2050 net-zero Massachusetts economy, primarily through deep energy efficiency, reduced heating loads, and efficient electrification; and, further, to amend Article XI, Section 17 of the General Bylaws, a copy of which is on file with the Town Clerk; or take any other action thereto.

Select Board / Green Energy Committee

ARTICLE 30

To see if the Town will vote to amend the General Bylaw by inserting a new Section, Article XI, Section 17.1, entitled "Fossil Fuel-Free Demonstration" for the purpose of restricting and prohibiting new building construction and major renovation projects that are not fossil fuel-free, pursuant to the entirety of 225 CMR 24, to take effect six months after approval by the Massachusetts Department of Energy Resources (DOER), a copy of which is on file with the Town Clerk; provided, however, that this bylaw shall take effect only upon approval by the Massachusetts Department of Energy Resources as a Participating Community pursuant to 225 CMR 24; or take any other action relative thereto.

Select Board / Green Energy Committee

ARTICLE 31

To see if the Town will vote to authorize the Select Board to petition the General Court for special legislation, as on file with the Town Clerk, for the purpose of increasing the size of the Housing Commission, created by the provisions of Chapter 359 of the Acts of 1979 to not more than seven members, with all members to be appointed by the Select Board for alternating three-year terms, and further defining the Commission's membership; provided, however, that the General Court may make changes of form only to such bill without approval of the Select Board, and to authorize the Select Board to approve such revisions as are consistent with the public purposes of the petition; or take any other action relative thereto.

Housing Commission

ARTICLE 32

To see if the Town will vote to ratify and confirm the action taken under Article 33 of the May 15, 2021 Annual Town Meeting, and as may have been subsequently approved by the Legislature, approving the filing of a home rule petition for a so-called Property Tax Circuit-breaker program, the purpose of which is to provide a property tax discount to homeowners meeting certain income and asset tests and who have resided in Lincoln for at least five years; and further, to authorize all actions necessary for successful implementation of the program; or take any action relative thereto.

Select Board

ARTICLE 33

To see if the Town will vote to transfer the care, custody and control of a portion or portions of the property located at 30 Lewis Street from the Select Board for Department of Public Works purposes to the Select Board for general municipal purposes and also for the purposes of leasing for telecommunication purposes, and, further, to authorize the Select Board to lease said property or portions thereof for telecommunications purposes for terms of up to 30 years and on such other terms and conditions as it shall deem appropriate, and to grant such access, utility and/or related easements as may be necessary and/or appropriate to serve the telecommunications facilities located thereon; or take any other action relative thereto.

Select Board

Hereof fail not and make return of this Warrant with your doings, thereon to the Town Clerk, at or before the time for the meeting aforesaid. Given under our hands this the 27th day of February, 2023.


Jennifer Glass, Chair


Jonathan Dwyer


Jim Hutchinson

Lincoln Select Board

Glossary

Debt Exclusion and Capital Exclusion: Proposition 2½ allows a town to raise monies for capital projects or for the payment of debt service costs using either a **capital** or **debt exclusion**, respectively. Unlike the override, which results in a permanent increase in the town's levy limit, a **capital exclusion** is added to the levy limit or ceiling only for the year in which the project is being undertaken, and requires majority approval at town meeting. Likewise, **debt exclusion** is added to the levy limit or levy ceiling for the life of the debt only, and requires 2/3 vote at town meeting. Both of these exclusions require a 2/3 vote of the Selectmen in order to be placed on a ballot, with a majority of the electorate at the ballot box needed for authorization.

Debt Limit: Massachusetts state law (Ch44 S10) limits the amount of debt that a town can issue to no more than 5% of the “equalized valuation” (EQV) of the taxable property in town, unless approval to exceed it is obtained from the Municipal Finance Oversight Board.

Free Cash: This is money that had been appropriated but not spent for various budget line items together with unforeseen revenues. These monies are certified annually by the Department of Revenue as the town's **free cash**.

Levy (Tax), Levy Ceiling, and Levy Limit: The property **tax levy** is revenue raised through real and personal property taxes. Municipal revenues are raised through the tax levy, State Aid, and local receipts. The tax levy is the largest source of revenue.

Proposition 2½ places constraints on the magnitude of the levy imposed by a town as well as the amount by which the levy can be increased from one year to the next. The two limits on property taxes imposed by Proposition 2½ are:

- **Levy ceiling** - This establishes an overall cap on the levy. Ordinarily a town cannot levy more than 2.5% of the total full and fair cash value of all taxable real and personal property, which means the **tax rate** cannot be set higher than \$25 per \$1,000 of property value.
- **Levy limit** - The maximum levy allowed in a given year is the **levy limit**. This will always be equal to or less than the **levy ceiling**. The levy limit for any fiscal year amounts to the previous year's levy limit (less excluded debt) increased by 2.5% plus new growth, exclusions, and any override authorized by the electorate.

Levy Increase: The difference in the levy between one year and the next is the **levy increase**. This number is often represented as a percent. The town may set its levy at any amount up to its levy limit. It is important to recognize that the actual levy may increase more than 2.5% in a given year. This is allowable under Proposition 2½.

Other Post-Employment Benefits (OPEB): Benefits such as medical and life insurance premiums that an employee will begin to receive at the start of retirement. The Town is required to recognize these benefits as they have already been earned by active and retired employees. This does not include pension benefits paid to the retired employees.

Reserve Fund: This fund, established by the annual Town Meeting, is under the control of the Finance Committee. Transfers may be made from it for unforeseen expenditures. The limit on the size of this fund is 5% of the **tax levy** of the current fiscal year.

Stabilization Fund: The **stabilization fund** is a reserve account that allows the Town to put aside money in anticipation of future expenses.

Tax Rate: The **tax rate** is the amount of tax charged by the Town expressed in terms of a unit of the tax base: for example, \$9.35 per \$1000 of the assessed valuation of taxable property.

Property Tax Exemptions

PROGRAM	Senior & Veterans Work Off	Deferral 41A	Temporary Deferral 18A	Elderly 17E	Elderly 41D	Blind 37A	MA Income Tax Circuit Breaker
Eligible Age	Seniors: 60 Veterans: none	60	None	70	65	None	65
Income Limit	None	Single \$62,000 Married \$93,000	Financial hardship	None	Single \$25,004. Married \$37,501. excluding some SS	None	Single \$62,000 Married \$93,000
Asset Limit	None	None	Financial hardship	\$45,396. excluding domicile	Single \$50,002. Married \$68,754. excluding domicile	None	Domicile \$884,000
Assistance	Seniors up to \$1,500 Veteran's up to \$1000	Total Bill (but not CPA tax)	Total Bill (but not CPA tax)	\$719	\$2,000	\$1,000	For 2022, tax credit of up to \$1,200*
Inflation Adjustment	None	None	None	Annual CPI	None	None	Annual Adjustment
Apply	Annually	Annually	Annually (for 3 years only)	Annually	Annually	Annually	Annually
Deadline	Call Council on Aging 781-259-8811	Within 3 months after tax bill	Within 3 months after tax bill	Within 3 months after tax bill	Within 3 months after tax bill	Within 3 months after tax bill	File State Tax Form and Sch CB – can file for past 3 years

*Circuit Breaker Tax Credit = (RE tax + 50% water bill) – (10% qualified income)

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Veterans Exemptions

Clause	Type	Amount *	Veteran	Spouse	Surviving Spouse	Surviving Parent
22	Veterans with minimum 10% war service disability	\$800	X	X	Until remarriage	
22	Veterans awarded Purple Hearts	\$800	X	X	Until remarriage	
22	Gold Star parents	\$800				X
22A	Veteran who lost one hand, foot or eye; or received a Congressional Medal of Honor, Distinguished Service Cross, Navy Cross, or Air Force Cross	\$1,500	X	X	X	
22B	Veterans who lost two hands or feet, or both eyes	\$2,500	X	X	X	
22C	Veteran with 100% disability and specially adapted housing	\$3,000	X	X	X	
22D	Surviving spouses of veterans killed in a combat zone	Total for 5 years, then \$2,500			X	
22E	Veterans with 100% disability	\$2,000	X		X	
8A	Paralegic veterans	Total	X		X	

Veterans are also eligible for the Property Tax Work Off program

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