

Minutes  
Lincoln Finance Committee  
Oct. 1, 2009  
7:30 PM

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**Present:** Peter Braun, Karl Geiger, Sanj Kharbanda, John Koenig, Laura Sander, Ellen Meyer Shorb, Robert Steinbrook

**Absent:** None

The Committee approved the minutes of its September 16, 2009 meeting.

The Committee discussed the rebalancing of the FY '10 budget in the context of the impact statements received from the Board of Selectmen, the Lincoln Schools and the Library. Because the Town and the Schools are able to incur budget reductions without reducing service levels, the Committee agreed that it would not recommend any reductions to Library's budget and service levels as indicated in the Library's impact statement.

The Committee noted that the amount of free cash certified as of July 1, 2009 includes \$982,000 of certified free cash that was not appropriated at the March 2009 Town Meeting, which amount was approximately \$100,000 higher than the Committee's 3% reserve target for FY'10. The Committee noted that this excess amount increases flexibility to apply free cash to rebalance FY '10 at the October Special Town Meeting and to consider applying free cash to mitigate possible future cuts in state aid for FY '10 and for FY '11.

The Committee unanimously agreed on the following approach to rebalance the FY '10 budget:

**Revenue Reductions**

State Aid reduction	(175,845)
Deaconess reduction	(269,000)
<b>Total Reductions</b>	<b>(444,845)</b>

**Budget Reductions**

Wood Chipper	55,000
Hartwell Curtain Wall Design	21,000
School Asbestos Abatement	46,000
Town Insurance	37,000
K-8 SPED Tuitions (FY'09 Pre-Spending)	125,000
K-8 SPED Extended School Year	20,000
K-8 SPED Prof. Salary Account	67,000
<b>Total Budget Reductions</b>	<b>371,000</b>

Additional Free Cash Appropriation	73,845
<b>Total Adjustments</b>	<b>444,845</b>

The Committee acknowledged that some of these amounts may be rounded numbers, and that this approval anticipates minor rounding adjustments, with the resulting balance to come out of Free Cash. The Committee requested that John Koenig seek clarification of whether the available balance of the Town Insurance Budget is greater than the \$101,000 shown in the Board of Selectmen's impact statement and whether the additional balance could be utilized as an FY'10 budget reduction, with a matching decrease in the use of free cash.

The Committee also requested that John Koenig seek clarification on why the police department did not submit an impact statement.

The Committee agreed it will support applying the full High School Stabilization Fund to the extent necessary to address a mid-year cut in state aid, and cuts in state aid for FY '11.

Robert Steinbrook reported on the status of the ad hoc committee organized to work out a lease arrangement between the Lincoln Schools and Magic Garden. The Committee will prepare a letter to the School Committee with respect to the Committee's position on the issue.

Peter Braun reported on activities of the Community Preservation Committee. He reported that the CPC has given initial consideration to and requested further information regarding funding requests for further fire suppression work at the Library, preliminary designs for a Town Hall renovation, and town records restoration.

Ellen Meyer Shorb provided an update on the housing troika activities. Six units of affordable housing are thought to be needed to meet the Town's 40B threshold based on anticipated results of the 2010 census. One property is being looked at now that would provide four units, though the funding may not be available for the Town to acquire all four units.

Peter Braun noted that the liaison process for the High School has not yet started.

The Committee discussed the budget setting process for FY '11. The Committee agreed that for purposes of setting the guideline for FY '11, the base budget for each budgeting agency would be the budget voted at TM 2009, except that the base budget for Lincoln-Sudbury Regional High School would be the actual assessment from the high school, which is based on the budget approved in Sudbury, and is lower than the budget approved at TM 2009.

The Committee also agreed that because the FY '10 operating account budget reductions constitute approximately a one percent reduction in the discretionary portion of the budget, the guideline for FY '11 should be reduced by approximately one percent from the guideline that would be generated by including the TM 2009-approved budgets in the funds available analysis.

With respect to FY '11, the Committee requested that John Koenig seek clarification from the Town administrators as to whether the line item for the Town Insurance Budget can be reduced in an amount commensurate with the reductions offered up for FY '10, as noted above.

It was the consensus of the Committee that John Koenig request Tim Higgins to update the most recent survey, performed in 2006, of the fees currently being charged by other municipalities in the region for dog licenses, marriage licenses, building permits and other such fees, which would then enable the Committee to consider whether fee increases would be appropriate.

It was also the consensus of the Committee that a representative of the Pierce House Committee be requested to meet with the Finance Committee to discuss the current financial status and outlook for the Pierce House.

There was brief preliminary discussion of the recently enacted option for municipalities to increase the meals tax for local benefit and whether an analysis should be performed of the feasibility of exercising that option in light of the likelihood that a new restaurant will begin operating in Lincoln in 2010.

The Committee discussed generally the outlook for FY '11. The additional property tax revenues from the Deaconess have played a large role in the Town's ability to avoid an override for the last two years. The most recent calculations show that a budget increase of 2.5% would require an approximately \$500,000 override. That amount is a significant portion of the approximately \$700,000 total anticipated reduction in state aid between FY '09 and FY '11.

The Committee's next meetings are scheduled for:

Thursday, October 8, 2009, and  
Thursday, October 15, 2009,

although it is anticipated that the Committee will be able to finalize the guideline for FY '11 at its October 8 meeting, in which case it would not meet on October 15.

There being no further business, the meeting was adjourned at 10:00 PM.

Submitted By: John L. Koenig

Approved: October 8, 2009

TO: Finance Committee  
FR: Board of Selectmen  
DT: September 28, 2009  
**RE: FY 10 Budget – Town Operating Budget Impact Statements**

We understand that you intend to finalize your recommendations for rebalancing the FY 10 budget during your upcoming meeting on October 1<sup>st</sup>. We appreciate the collaborative way in which the Committee has worked to find solutions that will do the least possible damage to our ability to provide town, school and library services now and in the future.

It is our understanding that the plan you will likely present to Town Meeting will consist of: 1) the elimination of various town and school warrant articles that were approved in March for projects now deemed less critical 2) reductions in amounts appropriated in March for projects since completed that have come in under budget 3) a reduction in the Lincoln School budget made possible by various one-time events, and 4) the application of a fairly modest sum from Free Cash.

At the same time, we recognize that the Committee will want to assess the tradeoffs involved with reducing budgets as an alternative to applying free cash. In the case of the budgets that comprise the Town Operating Departments, you have asked us to develop a plan for reducing \$70,000 (our proportionate share of the earlier target of \$197,000).

Approach: Ordinarily we would first turn to our non-personnel accounts in an attempt to address a budget shortfall. However, as you know, our departments operate with very little flexibility in their expense accounts. Expense accounts have been trimmed over the years with the understanding that the reserve fund would be a better way of managing surprises than having each department carry its own “contingency fund”. Therefore, we have no alternative but to turn to our personnel accounts to meet the target. If required to make cuts in staff, we will first attempt to reduce and/or eliminate positions where back-up support is available in one form or another so that service impacts are mitigated to the extent possible.

Options: If the Finance Committee recommends a reduction of Town budgets and Town Meeting votes to support this action, we will implement some combination of the following measures:

### Options

Department	Description	Amount
General Insurance	Aggressive loss control, positive claims experience has yielded dividends. Projection indicates will have surplus at end of fiscal year.	\$36,000  Applied against town-wide deficit rather than as an offset to BOS budget.
Town Offices	Reduce Administrative Support	\$10,000
Highway Department	Eliminate 1 Crew Member	\$48,000
Fire Department	Eliminate 1 FT Firefighter/EMT	\$47,000
Insurance & Benefits	Resulting from above staffing reductions	\$28,500  Assumes benefits cost at 30% of salary

Recommendation: We urge the Finance Committee to apply Free Cash to close the remaining gap in lieu of the above reductions in town services. We understand and support the need for the Finance Committee to maintain a steady state of reserves. Under the current circumstances, it seems possible to use free cash without undermining our long-term financial objectives.

Departmental Impact Statements: Attached

Thank you again for the thoughtful way you have brought the various agencies of the town together to find the best solution to our collective challenge.

# FY 2010 TOWN INSURANCE BUDGET

ORGN 0199422

Accounts	Title	FY10 Budgeted	FY10 Actuals	Comments
57405	Workers' Compensation	\$113,983.00	\$86,434.00	includes \$10,343 in part credits
57412	Property & Casualty/Prof Liability	\$209,020.00	\$126,707.05	includes \$28,903 in part. Credits and \$12,127 in loss control credits
57408	Police & Fire Accident Insurance	\$53,176.00	\$29,619.00	
	Public Official Bonds	\$3,500.00	TBD	assume no available balance
	<b>TOTAL</b>	<b>\$379,679.00</b>	<b>\$242,760.05</b>	

Note: While on surface it appears we have an available balance of aprox. \$101,627 - we do not.

We must maintain a cushion of funds to cover any and all deductibles we may have on property and casualty claims, (prop deductible of \$10K per occurrence) to cover bonds for staff (which average aprox \$3500/yr), and for paying any addtl premium which is determined during the year as part of the annual Workers Comp audit. I would recommend we keep an overall cushion of at least \$65,000 for now (\$50K for prop and \$15K for WC) - although we could drop that amount as the fiscal year nears end.

**I recommend that we could consider freeing up only \$ 36,627.**

9/9/2009

# TOWN OF LINCOLN



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E Mail [higginst@lincolntown.org](mailto:higginst@lincolntown.org)

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**Town Administrator**  
*Timothy S. Higgins*

TO: Finance Committee  
FR: Town Administrator  
DT: September 25, 2009  
**RE: Town Offices Impacts**

In the event that the Town Operating segment of the budget is reduced by \$70,000 we will give strong consideration to reducing administrative support at Town Offices – along with the possibility of staff reductions in the Fire Department and Public Works.

We would reduce the Town Offices budget by \$10,000 by reducing administrative support hours. A reduction of approximately 400-500 hours per year (between 8 and 9 hours per week) would be required to realize the targeted budget reduction.

We are currently very lean in administrative support staff. A number of offices have limited or part-time support. A number of boards and committees have no administrative support. It is clear from the results of the Comprehensive Planning process that there will be pressure to increase and not decrease administrative support. The townspeople want increased access to services and information. Technology will help but people are required to organize and facilitate the transfer of services and information. Furthermore, survey results tell us that providing a reasonable level of administrative support is a key factor in the town's ability to recruit and keep volunteers.

A reduction of 400-500 hours per year would impact our availability to the public, our ability to respond timely to requests for services and our ability to support the various activities of the town's elected and appointed boards and committees.



# TOWN OF LINCOLN

Department of Public Works

DEPARTMENT OF PUBLIC WORKS  
30 Lewis Street, P.O. Box 6353  
Lincoln, MA 01773

Phone: 781-259-8999

## MEMORANDUM

From: Chris Bibbo, P.E. Highway Department Superintendent  
To: Tim Higgins, Town Administrator  
Date: September 10, 2009  
RE: **Budget Planning for the Public Works Department**

Tim,

Regarding the current budget planning for the Public Works Department, I have the below comments:

The current total FY 2010 budget structure of the Department is \$1.18 million. Of that total, the primary budget from which the Department performs the majority of its work is the "DPW Operations and Maintenance Budget".

For FY 2010, the DPW "Operations and Maintenance Budget" was approved for \$785,900. Of that total approximately \$557,200 (71%) is reserved for staff salaries, and the remaining \$228,700 (29%) for expenses.

Current Department staffing level is 10 people. This staffing level includes myself, my administrative assistant, the Head Mechanic, a working Foreman, a working Crew Chief, and five Crew Members.

The primary duties and responsibilities of the Department include; road and path maintenance, roadside maintenance, winter snow and ice control, transfer station operation, cemetery maintenance tree and vegetation maintenance, park maintenance, and emergency response. In addition, we perform many other smaller, yet critical, Town infrastructure functions.

To provide an acceptable baseline level-of-service for maintaining the Town's infrastructure requires a significant amount of effort. Our typical daily activities are a mix of; regularly needed maintenance items, responding to resident/ emergency/ and other calls, and scheduled projects. Weekly activities include maintaining the Town's transfer station and cemeteries

The current DPW crew compliment of 10 people is, in my opinion, an absolute minimum figure to maintain the Town's infrastructure to an acceptable level-of service. Due to the demands on the Department during the winter months, I try to limit crew vacations and time off requests. A result of this winter staffing demand is that during the summer months, as time off is granted, the Department is subject to labor shortages. Many maintenance activities as well as projects suffer during the key summer months due to inadequate available labor.

The elimination of a DPW crew member would result in a savings of approximately \$48,000. The effect of one less crew member would significantly hinder my ability to form crews and move forward with both maintenance activities and project related work. Many of our activities require crews of two, three, or four people. During the past couple of years, I have managed to move the Department forward to be a more proactive group. Elimination of a crew member would significantly restrict my ability to form crews and perform work. The Department would have less ability to maintain the Towns infrastructure including roads, paths, transfer station, cemetery, and other critical and aesthetic Town features.

Should you have any questions, please do not hesitate to contact me.



# LINCOLN FIRE DEPARTMENT

ARTHUR COTONI  
FIRE CHIEF

169 LINCOLN ROAD - LINCOLN, MA 01773  
BUSINESS: (781) 259-8113 FAX: (781) 259-9289

Sept. 10,2009

To: **Tim Higgins**  
Town Administrator

The Lincoln Fire Department recognizes that the Town has a budget shortfall. We also recognize that the Town has supported the growth of the fire department over the years.

Three and a half years ago I went before the Selectmen and the Finance committee for four additional fire fighters. The additional fire fighters were needed to cover the station during times when the ambulance was committed to emergencies. Previous to this, the on duty Lieutenant would call for two firefighters for station coverage, and there were numerous times when coverage was not available, leaving the Lieutenant alone. This alone period of time could be anywhere from 45 minutes to 2 hrs.

The NFPA standard for firefighters needed on duty indicates that the Town of Lincoln's coverage is still light.

Currently I have thirteen fulltime firefighters and seven per diem firefighters. It has been increasingly difficult to keep these per diem firefighters as they eventually take full time positions in other departments.

I currently have a FY10 Total budget of \$ 1,154,488.00.

Salaries—\$ 1,101,188.00

Expenses-\$ 53,300.00

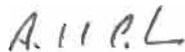
A reduction of one fulltime firefighter would reduce the budget by \$46,991.43, and the eliminated position would be the day firefighter.

If this happens we would be running short with only three firefighters, thus when the ambulance transported or responded to a mutual aid call the on duty Lieutenant would be alone again in the station until the ambulance returned. A single firefighter on a single engine can respond to the call, but he cannot attack a fire, or do any type of life safety rescue.

The main reason we went to four on duty firefighters was to have the ability to handle numerous back to back calls, and respond with two pieces of apparatus to a fire call. Without the fourth man we violate the "two in two out" rule established by the NFPA. With a reduction in staff we would only be able to handle one call at a time, and on a fire call send one piece of apparatus out the door. There would be no engine to lay a supply line from a hydrant, and we would have to wait for off duty firefighters to respond to take another piece of apparatus to the fire and set up a supply line. This wait time becomes a problem since none of our firefighters live in town; they all live at least 20 minutes away and that is good weather time.

The elimination of the day firefighter position would have a negative effect on the department and put a terrible strain on me, the chief. I would have an obligation to respond to calls with the firefighters as the fourth firefighter. This would cripple my ability to function as a fire chief and would set the department backwards. A chief must keep up with the day to day operations of a fire department. These duties encompass vital meetings concerning disaster planning, ALS service, fire fighter training techniques, hazardous material, keeping current with safety and building codes, reviewing fire alarm plans, the writing of grants and regional planning, not to mention payroll and bill paying etc.

Sincerely,

A handwritten signature in black ink that reads "A. C. L." in a cursive style.

Arthur Cotoni  
Chief



# LINCOLN PUBLIC SCHOOLS

MICHAEL F. BRANDMEYER  
SUPERINTENDENT

September 29, 2009

To: Lincoln Finance Committee  
From: Mickey Brandmeyer on behalf of the Lincoln School Committee  
Re: FY 2010 Budget Reconciliation: Impact Statement

I am writing on behalf of the School Committee to respond to the Finance Committee's request for impact statements on your recommendations for rebalancing the FY 2010 operating budget. The School Committee discussed this issue at its meeting on September 24<sup>th</sup> and appreciates the challenge facing the Town and, more importantly, the collaborative nature the Finance Committee has established to deal with the revenue shortfall. Over the past decade, the philosophy applied to budgeting has been equity with each agency being treated equally. This method has worked well in good times and should be applied in challenging times. The School Committee recommends that the Finance Committee continue to support this approach.

When considering the impact of the proposed reduction on the FY 2010 operating budget, the School Committee recommends that the Finance Committee continue to evaluate this challenge as a multi-layered problem. That is, dealing with the short-term problem of actual revenue shortfall and preparing for likely midyear reductions in local aid or grant programs that are factored into the budgets of the school and town operations for this year. While it is challenging to maintain current operations with fewer resources, we believe that it is even more challenging to deal with the loss of funding and the impact on operations with mid-year or later budget reductions. We want to urge the Finance Committee to take a position that protects current programs, to the extent possible, in the event that we experience mid-year cuts as happened in FY 2009 and are predicted again this year.

While the total shortfall in revenue is projected at approximately \$450,000 the recommendations from the Finance Committee, including a freeze on some capital projects, reclaiming warrant funds remaining from completed projects and the School Committee's decision last June to pre-purchase special education tuition with the intent of using the available resources from this line item in the FY 2010 budget to offset the impact of revenue shortfall is sound management and has the full support of the School Committee.

The School Committee asked me to clarify circumstances that made \$125,000 available at the conclusion of the FY 2009 budget. These funds were available as the result of special education circuit breaker reimbursements received by the school district in prior years. The local agreement between the Finance Committee and the School Committee to apply these funds in subsequent budgets over a multi-year period, made good fiscal sense, however, the Massachusetts Department of Revenue determined that special education circuit breaker funds received in one year must be expended in the next budget cycle.

This caused an infusion of funds into the FY 2008 budget, allowing for pre-purchase of special education tuition in each of the subsequent years. These funds also provided resources for unanticipated special education expenditures without the need to request reserve fund support. The availability of these funds was not the result of over budgeting in FY 2009.

The *impact* of reducing the FY 2010 budget line items for special education tuition by \$125,000 may result in the need for reserve fund transfers for unanticipated special education expenditures and may possibly require an increase in the FY 2011 line item, which will be determined when projections for out-of-district expenses are calculated during the budget development cycle. A further *impact* will be less flexibility to manage the significant swings in special education tuition, which had been managed by applying circuit breaker funds, in varying amounts, over a multi-year period.

The School Committee supports the Finance Committee's recommendation to put the Hartwell Window Wall Design on hold and to return \$21,000 from the approved warrant for reallocation to offset the budget shortfall. Additionally, the School Committee will authorize the return of approximately \$46,000 of unspent funds from the asbestos abatement/tile replacement project completed this summer in the Brooks building.

In addition to the \$192,000 detailed above, the Finance Committee has requested an additional \$87,000 from the school budget, which is equivalent to 44% of the remaining shortfall.

The School Committee has authorized reduction in two line items in the FY 2010 budget:

- \$20,000 from the special education extended school year program, and
- \$67,000 from the special education professional salary account.

The *impact* of the reduction to the extended school year account will not have a specific impact on the FY 2010 operations. The program has been completed (July and August, 2009) and these funds remain as a result of applied eligibility guidelines and better controls on program staffing levels. The longer-term impact is uncertain; since the program is based on the specific needs of the student population in a given year, which can vary significantly, as the specific nature and degree of students' disabilities and educational needs change.

The district will apply \$67,000 of the special education federal stimulus funds it will receive in FY 2010 to offset the reduction in the special education professional salary account. The *impact* of this reduction will result in FY 2011 when it is anticipated that this position will be necessary but federal stimulus funds may not be available. Applying these funds this year, while a good short-term solution to maintain current services, is contrary to recommendation from the Department of Elementary and Secondary Education which has advised districts not to create a "funding cliff" by using stimulus funds for recurring personnel positions. The School Committee will have to

assess the need for level services in this program, which may result in increased caseloads for special education teachers or additional funding.

In conclusion, the School Committee remains committed to the collaborative spirit established by the Finance Committee and supported by each of the Town's budgeting agencies. The thoughtful manner in which the Finance Committee has dealt with this unanticipated revenue shortfall and its willingness to collaborate on problem-solving strategies will serve to help maintain the expected level of services during challenging fiscal times. We urge the Finance Committee to remain focused on the short-term problem and also to plan for the likely mid-year reductions by developing a plan that supports programs and services already in place this year.

LINCOLN PUBLIC LIBRARY  
BEDFORD ROAD  
LINCOLN, MASSACHUSETTS  
01773

To: Finance Committee  
From: Library Trustees, Barbara Myles  
Date: September 30, 2009  
Subject: FY 10 Budget Shortfall Reconciliation – Impact Statement

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As you requested, the Library will reduce its FY10 budget in the amount of \$7,808. As a result of this reduction, the library will have to close for approximately 65 hours.

Below are the amounts to cut from the Library's operating budget:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
51102	Part time salaries	\$5,980.30
55102	Books	897.05
52101	Electricity	730.00
52104	Oil	<u>200.73</u>
		\$7,808.08