

To all Lincoln Residents:

Enclosed in this booklet are materials relating to the Annual Town Meeting to be held on Saturday, March 27. We hope they will enlighten you and stimulate as many as can do so to attend and participate in Town Meeting. We especially urge and welcome new residents to come and take part in the legislative process of town government, where the actions of all registered voters who attend and vote determine the policies and priorities of Town Government which will affect the future of the Town.

What follows is the report of the Finance Committee explaining the preparation of the Town's operating budget, then the proposed budget for the fiscal year beginning July 1. After the budget is an outline of certain relevant procedures for the conduct of Town Meeting. The Warrant for the Meeting is at the end of the booklet; this lists the Articles to be presented at the meeting for consideration and action by the voters present.

The Annual Town Meeting is both a significant event in the conduct of the business of the Town, and equally important it is an enjoyable community gathering at which there is opportunity to meet and greet your neighbors. While the Meeting may seem intimidating and suited only to knowledgeable "old hands", it is intended that all should feel free to participate, and we encourage you to do so. If you feel you do not know enough, this is an opportunity to become more informed and to have your questions answered.

John B. French, Moderator

Board of Selectmen:

Sarah Cannon Holden, Chair

Gary A. Taylor

Sara Mattes

REPORT
of the
FINANCE COMMITTEE
of the
TOWN OF LINCOLN
for the
FISCAL YEAR
JULY 1, 2010 - JUNE 30, 2011

LINCOLN FINANCE COMMITTEE

Peter Braun

Karl Geiger

Sanj Kharbanda

John L. Koenig, Chair

Laura Sander

Ellen Meyer Shorb

Robert Steinbrook

Table of Contents

1. Introduction	5
2. Overview	5
3. Revenues	7
4. Operating Expenditures	8
5. Capital Expenditures	10
6. Community Preservation Act	11
7. Governmental Accounting Standards Board Statement No. 45 (GASB 45)	13
8. Property Tax	14
9. Looking Forward	14
10. Departmental Budgets	
General Government	16
Public Safety	17
Education:	
Lincoln Public Schools	18
Lincoln-Sudbury Regional High School	20
Minuteman Career and Technical High School	23
Public Works and Facilities	25
Human Services	26
Recreation, Conservation, Land and Celebrations	27
Library	28
Debt Service	30
Pensions & Insurance	32
Water Department	33
11. Appendix	
Table 1: Fiscal Detail FY '09– FY '11	34
12. Outline of Town Meeting Procedures	41
13. Warrant Articles	45
14. Glossary	58

1. Introduction

The Finance Committee is charged with advising and making recommendations to Town Meeting on the budget and other areas of finance, and 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 annual report we describe the FY '11 budget and its component parts, and provide supporting detail. Building the budget is a collaborative endeavor and the Finance Committee works closely with many boards and committees. Among many others, we thank Lincoln Town Administrator Tim Higgins, Assistant Town Administrator Anita Scheipers, Finance Director Colleen Wilkins, Lincoln Public Schools Administrator for Business and Finance Buck Creel, and Lincoln-Sudbury Regional High School Director of Finance and Operations Judy Belliveau.

2. Overview

For FY '11, the Finance Committee is recommending a base budget of \$29,585,430. For the third year in a row, the operating budget can be funded without an override. The Town has benefited from the strong financial position that it established before the national economic crisis, as well as from additional tax revenues generated by The Groves at Lincoln development. In addition, in recognition of the continuing economic crisis, and pursuant to the initial guidelines set by the committee, requests for new spending were modest. The FY '11 budget is largely a level services budget with a few new initiatives provided for, as described below.

For FY '11, the property taxes on an average house (assessed value of \$1.018 million) would increase by about \$740 (6.33%) with the proposed budget. This increase includes the 2.5% increase in the operating budget (\$292) and a 3.83% increase in the debt portion of the budget (\$448) resulting from the addition of the road repair debt.

It is important to note that about 31% of the increase in tax revenue will come from new construction, including the construction at The Groves at Lincoln. Thus, these summary statistics, which do not correct for new construction, likely overstate the financial impact of the FY '11 budget on most taxpayers.

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 the Commonwealth and the United States. The budget is heavily dependent on real estate taxes (the tax levy and excluded debt). In 2001, real estate taxes (tax levy plus excluded debt) accounted for 68% of revenue. In FY '11, real estate taxes are projected to account for about 78% of revenue. The Town has a small number of commercial properties. There are relatively few opportunities to increase local revenues. Although the FY '11 state budget is not yet known, the FY '11 budget is built on an assumption that state aid will decrease by 13% as compared to FY '10.

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 -0.5%, based on preliminary (un-certified) results of FY '10 and assumptions that were considered reasonable at that time.

As the national and state economic situation continues without clear signs of a recovery, the Finance Committee has supported little spending beyond level services. The new initiatives that are included in the FY '11 budget are \$18,500 for additional administrative support in the Town Clerk's office, \$25,000 for overtime hours in the Fire Department and \$138,000 for the Information Technology strategic plan.

In addition to the operating budget (Warrant Article 7) and capital budget (Warrant Articles 9-13), Town Meeting will consider maintenance articles and other appropriations (Warrant Articles 14-25 & 30). The Finance Committee takes these other appropriations into account when determining the funds available for the base 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 also places a high priority on maintaining the Town's favorable bond rating, which reduces its costs of borrowing money and is the result of prudent financial management. Lincoln has a bond rating from S & P of AAA, the highest available rating.

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 less the total for the Water Enterprise Fund as shown in Table 1). 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 the 3% minimum be set aside entirely from unspent certified Free Cash.

Over the last several years, the Finance Committee has sought to build the Town's financial reserves, following years in which they had been spent down. For FY '09, the unspent certified Free Cash on July 1, 2009 was \$982,661, or 3.5% of the General Fund budget for that year (including capital and other articles). In FY '10, the Free Cash portion of the Emergency Reserves is projected to be \$866,748, or about 3% of the General Fund budget (including capital and other articles). The actual amount will not be known until Free Cash is certified in the fall of 2010.

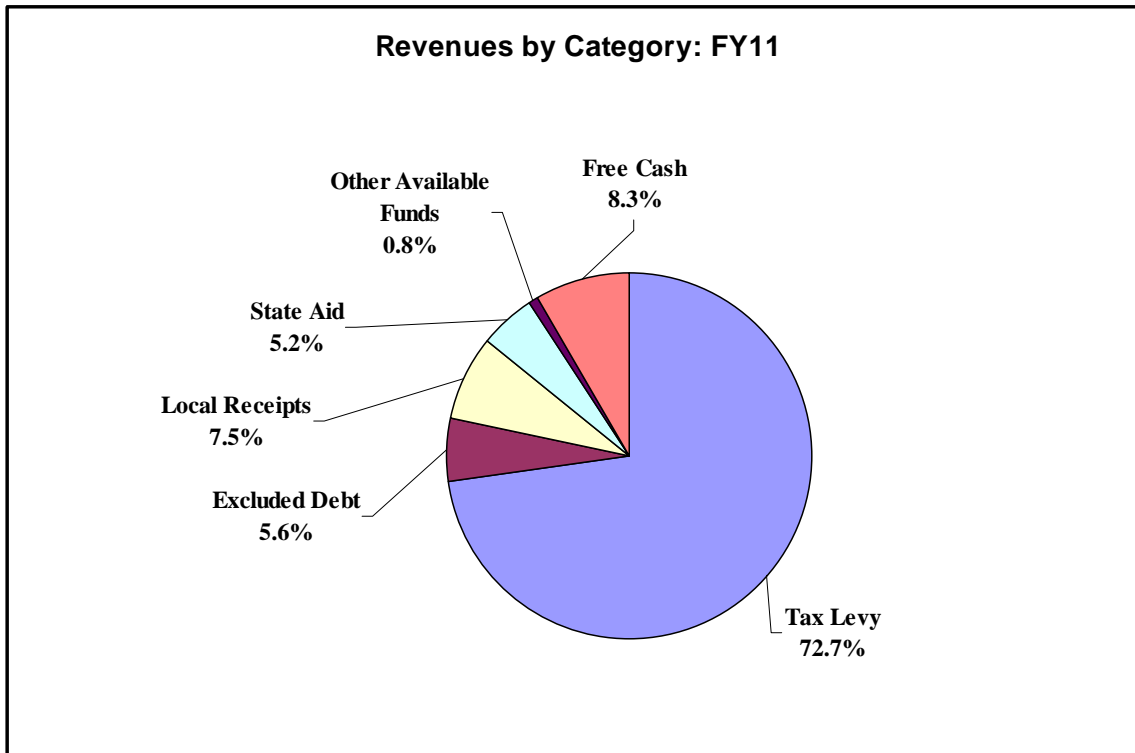
Over the next five years, the Finance Committee anticipates that the usual year-to-year growth in the Town's revenue will continue to be insufficient to meet the goals of maintaining the existing level of services, maintaining and improving the Town's infrastructure, and modestly improving services in key areas. The reasons are many, but include growth in enrollment and the large size of classes at Lincoln-Sudbury Regional High School, the costs of personnel (which account for about 80% of the budget), the costs of special education at all grade levels, pension and insurance costs, the funding of accrued liability for retirement health insurance benefits, uncertainty about state aid, and substantial capital needs for Town buildings and the Lincoln Public Schools.

Until the economy recovers, revenues from state aid and local receipts are unlikely to increase. To minimize the impact on real estate taxes, the Finance Committee will carefully scrutinize all spending requests that go beyond its annual budget guideline. Good management and a willingness by budgeting agencies to reduce or shift personnel to meet changing service needs are also essential. Nonetheless, the Finance Committee anticipates that, although it may not recommend overrides to support the operating budget each year, as has been the case in FY '09 through FY '11, overrides are likely to be needed on a recurring basis.

3. Revenues

Total town revenues for FY '11 are projected at \$29,585,430 (excluding Water Department revenues), a 7.3% increase as compared to FY '10. Revenue from state aid is anticipated to decrease, while local receipts are projected to stay level, and excluded debt will increase, due to the addition of the road repair debt. The projections for local receipts and state aid reflect the effects of the recession.

The pie chart shows the revenue categories and the percentages of total revenue that they represent. The categories are real estate taxes (tax levy and excluded debt), local receipts, state aid, Free Cash, and other available funds.



Proposition 2 ½ allows towns to raise real estate taxes by 2.5% per year without an override. The tax levy may also increase because of taxes attributable to new construction. For FY '11, the tax levy is projected to represent 78% of revenue. As compared to FY '10, the tax levy is projected to increase by \$1,020,418, including \$517,243 within the Proposition 2 ½ limit and \$503,175 from new construction, including "The Groves at Lincoln," the Deaconess Abundant Life Community that was approved at the Special Town Meeting in November 2006.

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, a new fire truck, 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 FY '11, excluded debt is projected to represent 5.6% of revenues.

The application of Free Cash is projected to provide 8.3% of FY '11 revenue. In October 2009, the Department of Revenue certified Free Cash for the Town from FY '09 at \$3,385,755. This represented a 7.4% increase from the amount certified in October 2008. Of the FY '11 total, \$982,661 represents Free Cash that remains from prior years. This is the major component of the Town's emergency reserves. Other contributors to the Free Cash balance were: (1) turn backs from the Reserve Fund and health insurance and (2) receipts in excess of budget, such as for licenses and permits and the provision of benefits for employees at the Hanscom Campus of the Lincoln Public Schools. 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 7.5% of revenue in FY '11, compared to 8.0% in FY '10.

State aid, which includes Chapter 70 (education reform) funds, lottery, and other assistance, is projected to provide 5.2% of revenue in FY '11, compared to 6.8% in FY '10. Actual State Aid is not yet known, as the state budget is determined after the Town budget, but it is projected to decrease by 13% as compared to FY '10. If the actual decrease is smaller, the difference will accrue to Free Cash. If the actual decrease is greater, the Town will first look to available Free Cash to make-up the difference.

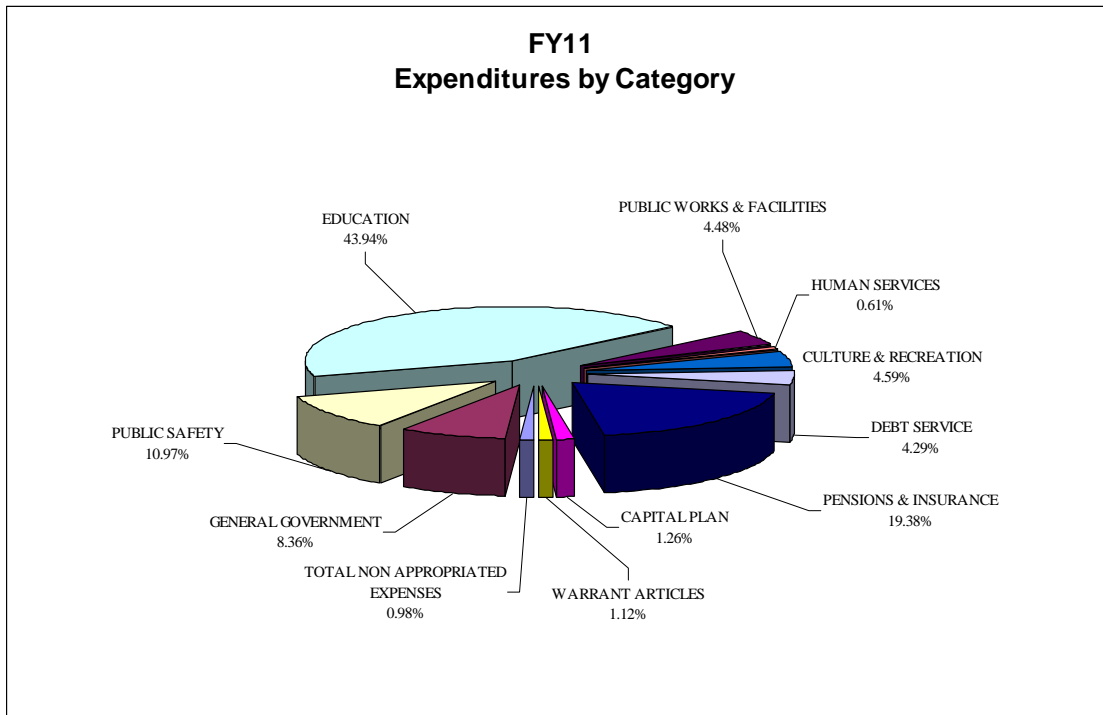
Other available funds, which are projected to provide 0.8% of revenue in FY '11, compared to 0.5% in FY '10, are a small category of miscellaneous items, such as payments from the Water Department and Hanscom Air Force Base for certain services provided by the Town. In general, the amounts received are offset by corresponding debits.

4. Operating Expenditures

Total town operating expenditures are the total of the General Fund and the Water Enterprise Fund. The Water Department's operating budget (\$1,035,998 for FY '11) is funded entirely through fees paid by water consumers. The General Fund budget includes all other operating expenditures.

The proposed FY '11 budget is \$29,585,430. The General Fund total is \$28,873,755, exclusive of capital items and other articles.

The pie chart shows the breakdown of expenditures by category (excluding Water Department expenditures). Education is the largest component, representing 43.9% of General Fund expenditures. This includes the Lincoln Public Schools, Lincoln-Sudbury Regional High School and Minuteman Career and Technical High School. For the two regional schools, 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.



The growth in the appropriated budget for the Lincoln Public Schools is 0.1%, exclusive of pensions and insurance, and calculated without regard to the reductions taken in the school budget at the Special Town Meeting in October, 2009. The budget for the regional school district is shared between Lincoln and Sudbury; it reflects a three-year rolling average of the number of students enrolled from each town. The FY '11 apportionment ratio is 15.64% for Lincoln and 84.36% for Sudbury, which is a higher percentage for Lincoln than in FY '10. Although the growth in Lincoln's portion of the high school's operating budget is projected to be no more than the growth allowed by the Finance Committee's budget guideline, Lincoln's assessment will increase more than the guideline due to factors discussed below (See "Lincoln Sudbury Regional High School"). If there is no override in Sudbury, the assessment increase will be smaller.

The growth in the General Government budget is 9.27%. The growth in the Public Safety budget is 3.69%.

Pensions and Insurance expenditures for FY '11 are projected at \$5,790,886, compared to \$5,379,994 for FY '10, a 7.64% increase. Pensions and Insurance represent 19.4% of General Fund expenditures.

Debt service, excluding the debt service for the Lincoln-Sudbury Regional High School, is \$995,071, a 346% increase from FY '10, due to the addition of the road repair debt and the potential additions from the bonded items in warrant articles 10-13 (contingent upon passage at town meeting and town election).

The growth in required non-discretionary expenditures, such as pensions and insurance (and in particular health insurance) consumes most of the Town's annual increases in revenues and drives the need for consideration of override budgets to simply maintain services.

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

5. Capital Expenditures

The Capital Planning Committee (CPC) makes capital expenditure recommendations. The CPC has one representative each from the Board of Selectmen, the K-8 schools, the Finance Committee, the Library, and the Conservation Commission, and two at-large members; the assistant Town Administrator is *ex-officio*. This diverse membership promotes an effective and objective discussion of each request.

The CPC 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 \$15,000. It also reviews maintenance warrant articles. The CPC strongly believes that timely maintenance 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 their review.

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 that item over several years, outside of the limitations of Proposition 2½.

For FY '11, the Finance Committee set ceilings of \$450,000 for capital expenditures within the annual budget and \$75,000 for the annual classroom maintenance warrant article - which in past years had been considered a capital expenditure.

Initial FY '11 Capital requests totaled \$1,962,207.00. The CPC suggested the following disposition:

Recommended funding for cash capital:	\$376,292
Recommended funding for maintenance:	\$75,000
Recommended for bonding/debt exclusion:	\$1,155,000
Withdrawn from consideration:	\$1,061,317

The Finance Committee approved the \$376,292 for the cash capital, and the \$75,000 for the annual classroom maintenance, but recommended only \$935,000 for bonding of capital items.

Warrant Articles

- Article 9, Cash Capital Expenditures: \$372,292
 - Hwy Sander \$19,000
 - Hwy Bobcat w attachments \$52,000
 - Fire Car 1 \$32,620
 - Two Police Cruisers \$60,000
 - Library Carpet \$21,672
 - Town Offices generator \$44,000

Hartwell VAT	\$28,000
Brooks roof/Misc ext. painting of curtain walls	\$80,000
School paving rehab	\$21,000
New School van and trailer	\$18,000

- Article 10, New ambulance (Bonded) \$210,000
- Article 11, IT Improvements (Bonded) \$725,000

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 matching fund. Through FY '07, the state matched local CPA revenues at 100%. Due to an increasing number of cities and towns participating in the CPA, and a decline in funds to the state matching fund, Lincoln received a match of 81% on its FY '08 surcharge, a match of 45% based on its FY '09 surcharge, and projects only a 35% match based on its FY '10 surcharge.

The CPA requires that a Community Preservation Committee (CPC) be formed with four members appointed by the Selectmen 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 approved at Town Meeting.

Over the last seven years, the CPC has recommended, and the Town has approved, funding for the following projects:

Project	Amount Allocated
Repairs at the Pierce House	\$316,800
Sunnyside Lane acquisition and construction	792,500
Greenridge condominium "buy down"	150,000
Funding the Conservation Fund	225,585
Repairs and improvements to the Lincoln Library	956,750
Update Library's fire suppression system	131,542
Construction of archival vault at the Library	489,097
Inventory of the Town's historic properties	23,250
Model historic preservation restriction easement	5,000
Purchase of Harrington and Booth conservation lands	600,000
Tot Lot at Codman Pool	50,000
Funding of Affordable Housing Trust	1,453,500
Consultant to update the Consolidated Housing Plan	12,000
Repairs to historic cemetery monument	4,300
Historic records archive and preservation	14,645

Historic Town buildings needs assessment	25,000
Control invasive species on conservation land	51,300
Codman Barn A restoration	112,000
Bemis Hall roof replacement	150,000
CPC administrative expenses	14,000
Fund debt service on borrowing for CPC project	<u>395,530</u>
TOTAL	\$5,972,799

The following chart summarizes money raised and appropriations to date.

CPA Revenues and Appropriations							
Revenues	FY '03-05	FY '06	FY '07	FY '08	FY '09	FY '10*	Total
Town Revenues‡	\$910,371.00	\$532,920	\$590,877	\$583,127	\$607,048	\$574,463	
State Match	<u>424,244</u>	<u>461,436</u>	<u>500,519</u>	<u>517,657</u>	<u>420,180</u>	<u>246,798</u>	
Total Revenues	1,334,615	994,356	1,091,396	1,100,784	1,027,228	821,261	\$6,369,640
Appropriations#							
Housing	508,500	434,000†			912,000	553,500	
Historic	174,700	271,047†	331,182	246,731	528,385	339,175	
Conservation	163,500	350,000†	36,500	250,000	56,585	20,300	
Recreation			45,191				
Administrative	<u>5,000</u>				<u>5,000</u>	<u>3,000</u>	
Total Appropriations	851,700	1,055,047†	412,873	496,731	1,501,970	915,975	\$5,234,296

* revenues not yet certified

‡ includes interest earned

actual amount spent is shown, where less than appropriation

† bonded over 10 years

At Town Meeting in March 2010, the CPC anticipates recommending funding for historic document preservation, the Affordable Housing Trust, the Conservation Commission, and a feasibility study for the proposed Town Hall renovation.

Warrant Articles

• Article 30, Community Preservation Committee	
Town Offices Feasibility Study	\$135,000.00
MacDowell land purchase	\$400,000.00
Housing Trust - renewal of FY '10 funds	\$488,000.00
Housing Trust - Additional funds for more units	\$200,000.00
Housing Trust - Battle Road Farm buy-downs	\$60,000.00
Library document restoration	\$4,500.00
CPC Administrative expenses	\$3,000.00
FY '11 Debt service for previously voted projects	<u>\$130,837.50</u>
Total CPA Recommendations	\$1,421,337.50

7. Governmental Accounting Standards Board Statement No. 45

As discussed in prior years, the Town faces liabilities for employee benefits that will be reported beginning with the Town's FY '09 financial statements. Under Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, state and local governments must report the costs and obligations related to post-employment healthcare and other non-pension benefits. These are also known as other post-employment benefits, or OPEB. Specifically, GASB 45 calls for these governments to recognize the benefits that have already been earned by active and retired employees as well as the benefits active employees will earn in the future. There is no requirement to fund the obligations, but the liability is likely to grow over time, creating implications for the Town's financial statements and credit rating.

The Town is recognizing a significant OPEB liability for benefits to be received through its Postretirement Medical and Life Insurance Plan. The liability represents the present value of benefits earned to date and can be spread, or amortized, over a period of up to 30 years. An initial valuation in 2007 established the Town's OPEB liability at \$61.7 million. Over the past several years, Town Meeting has successfully undertaken a number of strategies to reduce the liability by approximately \$19 million. Town Meeting created a trust fund in which monies are held specifically to fund OPEB obligations and invested in order to finance the benefit payments that are due in the future. At the March 2009 Town Meeting, the Town also adopted Section 18 of Chapter 32B of Massachusetts General Laws, which requires all eligible retirees to enroll in Medicare Part B for their health care coverage. Retirees are required to purchase supplemental coverage (Medex); the Town pays 60% of the cost and employees 40%.

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 a small amount into the GASB 45 trust fund toward the larger liability. The March 2009 Town Meeting authorized a first transfer of \$100,000 to this trust fund. The School Committee also approved a transfer of \$400,000 from the Hanscom Schools fund. The balance in the fund is now \$503,411. Biannual updates to the actuarial valuation are required. Due to the addition of two more years of benefits earned by active employees since the initial valuation, the valuation at June 30, 2009 is \$49.4 million. This valuation results in an annual cost of \$4.6 million. For FY '10, the payment for current-year benefits is nearly \$1.5 million. The remaining amount is added to the liability; in the current year, the liability will rise by \$3.1 million. The Finance Committee is recommending that Town Meeting appropriate \$100,000 in FY '11 as a further contribution to the trust fund against the liability.

Although Lincoln is not required to fully fund the liability, our current practice of funding the annual cost of retirees and contributing only a small amount to the trust fund will result in a growing obligation in the future. This increased liability will appear in the Town's financial statements as a reduction to fund balances. Lower balances could adversely affect the Town's AAA bond rating. The Finance Committee will continue to work with the Town to develop a long-term strategy that balances the negative impact of the liability with the cost of funding it.

8. Property Tax

The table shows the estimated tax impact on an average house of the proposed FY '11 budget. The estimate assumes a FY '10 assessment value for the average single family home of \$1.018 million. FY '11 assessment values will be determined in the fall when the Town sets its tax rate.

FY '11 Estimated Tax Impact		
	FY '10	FY '11
Proposed Budget		
Average Tax Bill	\$11,684	\$12,424
\$ Increase		\$740
% Increase		6.33%
Additional Excluded Debt		
IT Plan - \$725,000		
\$ Increase		\$96
% Increase		0.82%
Ambulance - \$210,000		
\$ Increase		\$27
% Increase		0.23%
School Feasibility Study - \$650,000		
\$ Increase		\$86
% Increase		0.74%
MacDowell Property Purchase - \$1,000,000		
\$ Increase		\$78
% Increase		0.67%
Total Tax Bill with all Proposed Excluded Debt		\$12,711
\$ Increase		\$1,027
% Increase		8.79%

9. Looking Forward

The Finance Committee works closely with the Town, the Lincoln Public Schools, Lincoln-Sudbury Regional High School, 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 Town's land use choices, including changes in the number and types of houses, have an impact on school enrollment and infrastructure requirements. The Town's fiscal choices usually have an impact on the property tax. Although the budgets for FY '09 and FY '10 were, and the proposed FY '11 budget can be, funded without an operating override, it would be more in line with past experience to expect an override in FY '12 or soon thereafter.

The continuing budget challenge will be to manage Town finances prudently during this profound recession. This will require flexibility in responding to revenue forecasts that will frequently change,

budgetary discipline, and moderation in the pursuit of new spending initiatives. At the same time, the Finance Committee anticipates the need to plan for major capital projects, such as those for the maintenance or renovation of Town buildings and for the renovation or replacement of buildings at the Lincoln Public Schools.

At the moment, the Town is relatively underinvested in major capital projects as compared to its spending on the operating budget. In FY '11, funding for capital projects, such as the roads project, and including all of the capital projects proposed on the Warrant, is projected to be about 4.5% of operating expenditures. Prudent municipal management suggests that funding for major capital projects should represent between 5 and 12% of operating expenditures. The committee will work with the Town, the Lincoln Public Schools, and the Capital Planning Committee to plan for capital projects and to sequence capital expenditures so as to minimize year-to-year changes in payments for debt exclusion. The Finance Committee also will work with the Town to develop a long-term plan for responding to GASB 45 and for funding the Post Employment Health Insurance Trust Fund.

The Finance Committee will continue to place a high priority on maintaining adequate Emergency Reserves, working with the Town for expanded tax relief for those homeowners on limited or fixed incomes, and advocating for continued participation in the Community Preservation Act program.

General Government

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$2,024,891	\$2,285,093	\$2,496,903

General Information

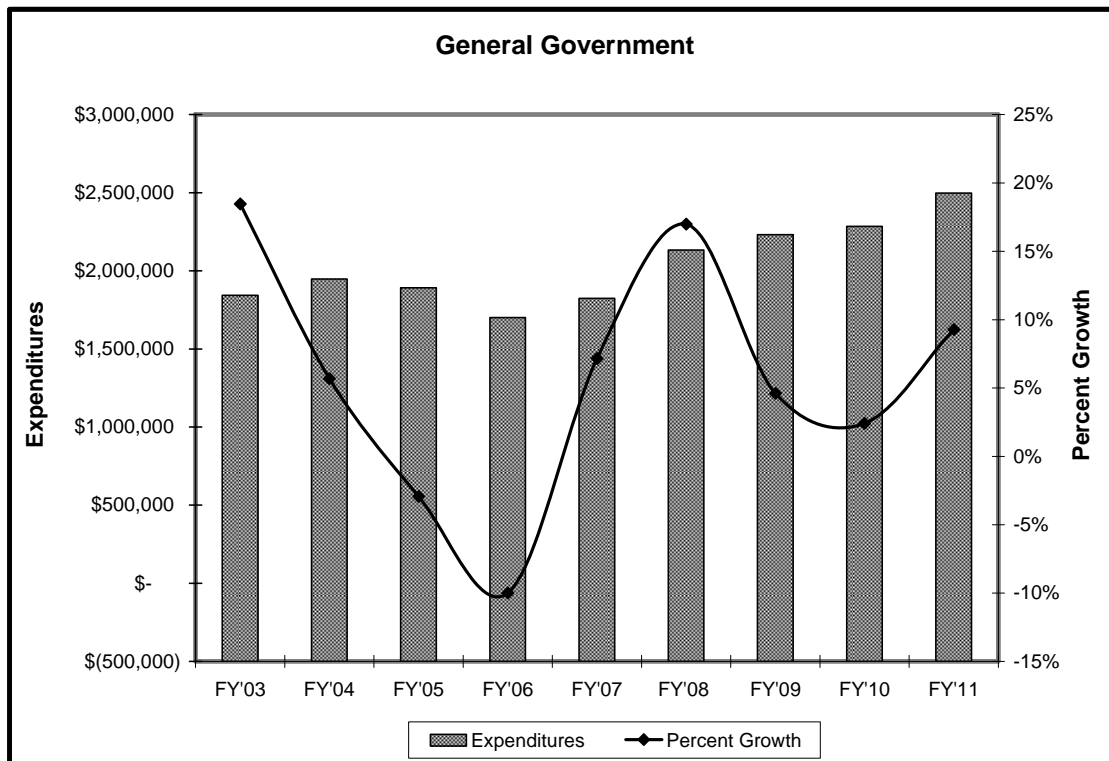
General Government includes: Board of Selectman, Finance Committee, Town Offices, Legal Services, Reserve Fund, Assessors, Law Department, Town Clerk, Registrar of Voters, Conservation Commission, Planning Board, Board of Appeals, Town Report and Town Buildings. The largest account is Town Offices, which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

Key Issues

- The FY '11 budget is a level services budget with the exception of an increase of \$18,500 for additional administrative support in the Town Clerk's office and \$138,000 for the IT strategic plan.
- The Reserve Fund is part of the General Fund, and is intended to cover extraordinary and unforeseen needs of the Town, the Lincoln Public Schools, and independent Boards. As it has been for many years, it is funded at \$450,000.

Warrant Articles

- Article 11, Information Technology improvements pursuant to IT Strategic Plan: \$725,000 (requires approval of Town Meeting and election ballot).
- Article 18, Bright Light Award: \$500
- Article 19, Funds for Post Employment Health Insurance Trust Fund: \$100,000



Public Safety

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$3,071,699	\$3,162,443	\$3,279,018

General Information

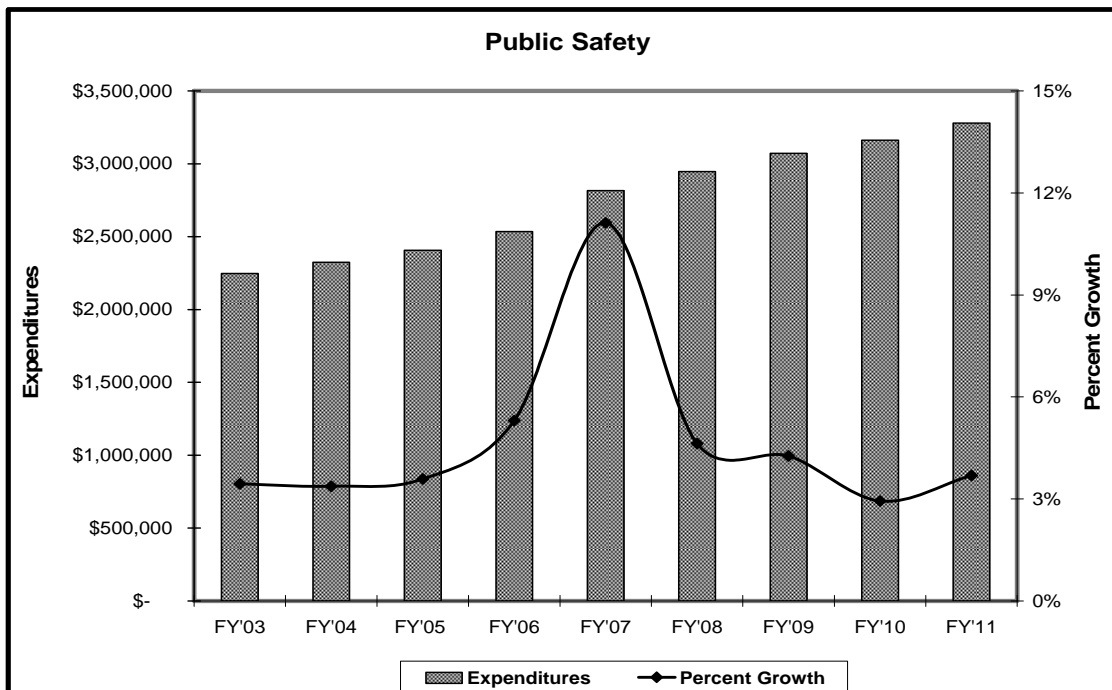
Public Safety includes the police department, the fire department, emergency medical services, the building department, the communications center, emergency management and the dog officer.

Key Issues

- The FY '11 budget is a level services budget with the exception of a \$25,000 increase in the Fire Department's overtime line-item.
- There is no change in staffing.
- FY '11 is the third year of a three-year collective bargaining agreement. Under the terms of the agreement, employees will receive a 2.5% cost of living increase.

Warrant Articles

- Article 9, Fire Car 1: \$32,620. The funds are to replace the Fire Chief's 2004 vehicle, originally purchased used and with grant funds.
- Article 9, Police-two cruisers: \$60,000. The funds are to replace 2 police cruisers, following an annual replacement schedule.
- Article 10, New Ambulance: \$210,000. The ambulance is at the end of its useful life with five years of service. The funds requested under this article will be from the sale of bonds. A two-thirds vote at Town Meeting and majority vote at the election is required for approval.
- Article 29, Ambulance Revolving Fund: Proposal. To create a dedicated fund for ambulance revenues; funds to be used toward cost of future replacement of the ambulance and other Emergency Medical Services expenses.



Lincoln Public Schools

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$9,012,722	\$9,068,723	\$9,289,319

General Information

As in prior years, the Lincoln Public Schools are working to maintain and improve their educational programs and their facilities within the fiscal constraints established by the budget.

In 2009, the School Committee received an invitation from the Massachusetts School Building Authority to conduct a feasibility study for a school building project on the Ballfield Road campus. The Town will be asked to approve a maximum of \$650,000 in funding for the study; the state will reimburse 40 percent of the costs, so the maximum cost to the Town would be \$390,000. The purpose of the study is to determine the most appropriate solution to problems with the existing facilities. A study could lead to a recommendation for the replacement or extensive renovation of the existing K-8 buildings. If approved, it is anticipated that the feasibility study will be completed in 2012. A final building program would require approval of both the Town and the Massachusetts School Building Authority.

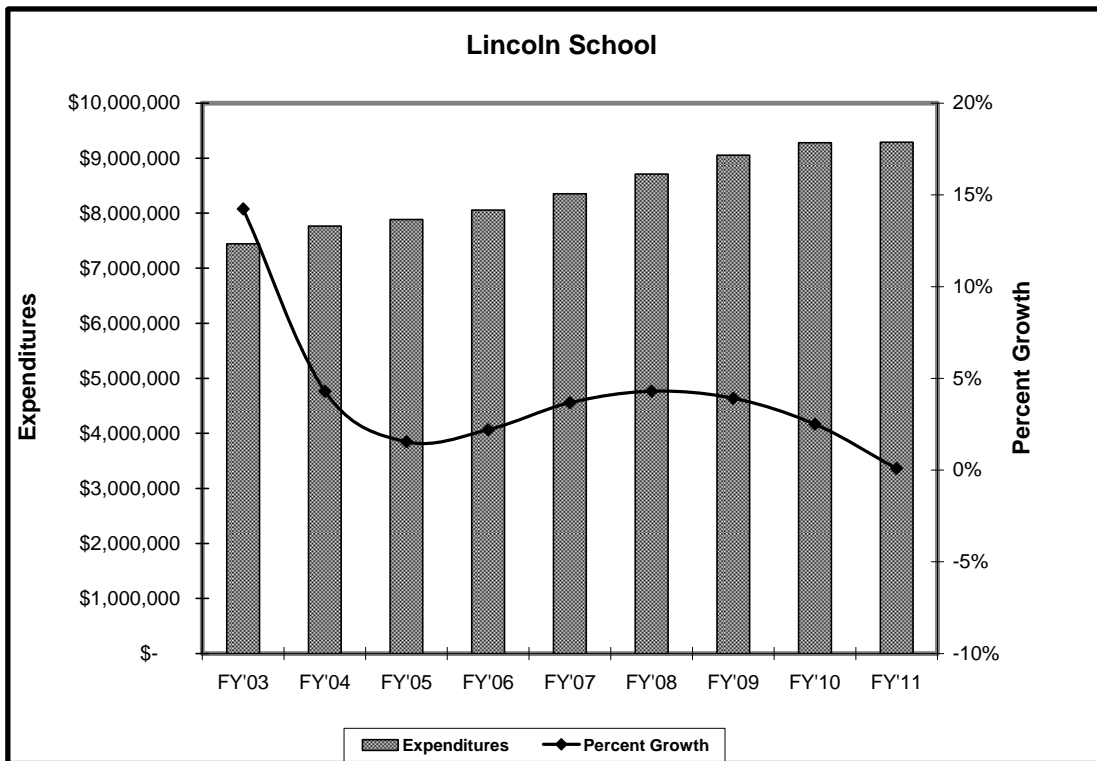
The FY '11 operating and capital budgets support level services and modest program improvements that address needs in curriculum and instruction, professional development, and facilities operations and maintenance. Examples are expansion of Spanish instruction to third grade, initiation of a summer math support program for students who need remedial instruction or enrichment, and continuation and expansion of "responsive classroom" professional development programs that address the social and emotional needs of students.

Key Issues

- Enrollment in FY '11 for grades kindergarten to grade eight is projected to decrease slightly, from 609 to 602 students, continuing a long trend of declining enrollment. The number of classroom sections is expected to be 31, as compared to 33 in FY '10. The class sizes are consistent with School Committee policy, as revised in 2007, and reflect the district's commitment to maintain small class sizes, a hallmark of the Lincoln Public Schools. Specific changes are the result of the size of specific grade level cohorts.
- Personnel costs represent about 75% of the school budget. FY '11 is the third year of the three-year contract for the Lincoln Teachers Association, and the first year of the contracts for custodians and secretaries.
- Special education costs are projected to increase by approximately \$100,000 in FY '11 as compared to FY '10. The budget includes about \$70,000 of "circuit breaker" reimbursement and \$36,000 of Medicaid reimbursement, both received for expenditures in prior years.
- The METCO program brings students from Boston to the Lincoln School and is viewed by the School Committee as a fundamental means of educating children about how to live in a diverse world. In FY '11, the state is expected to level fund the program; funding is anticipated to be about \$466,000.

Warrant Articles

- Article 9, Hartwell vinyl asbestos tile: \$28,000.
- Article 9, Brooks roof, miscellaneous exterior painting of curtain walls: \$80,000.
- Article 9, School paving rehabilitation: \$21,000.
- Article 9, New school van and trailer: \$18,000.
- Article 13, K-8 building feasibility study: \$650,000 total cost with the Commonwealth providing 40% reimbursement
- Article 14, Annual classroom maintenance: \$75,000
- Article 20, Transfer Medicaid reimbursements into budget: \$36,000.



Lincoln- Sudbury Regional High School

	FY '09 Actual	FY '10 Budget	FY '11 No Sudbury Override	FY '11 2.75% Sudbury Override
Total Budget:	\$25,921,342	\$26,420,888	\$26,352,46545 2,007	\$27,004,230
Offsets:	3,827,595	3,769,050	2,874,188	2,864,188*
Total Assessment:	22,093,747	22,651,838	23,577,819	24,140,042
Lincoln Share:	\$3,365,135	\$3,515,843	\$3,689,111	\$3,777,043

***Net of \$10,000 appropriation to E&D Fund**

NOTE: The FY '09 grant of \$111,036 to the high school and the FY '10 contribution of \$89,863 to the high school Stabilization Fund were appropriated outside of the assessment and thus are not included in this table.

General Information

The high school's FY '10 enrollment is 1614. This is 26 below the 1640 projected as of a year ago, is below the enrollments for each of FY '07-09, and is the first decrease in decades. The high school attributes the decrease mainly to a recent trend of students leaving for private schools, at least in part because of concerns with higher class sizes and other budget-related program decreases. FY '11 enrollment is projected to increase to 1645.

Each town's share of the annual payment obligation to the high school ("assessment") is determined by a three-year rolling average ("apportionment ratio"), which measures the town's relative number of students enrolled at the high school (as well as in out-of-district special-education and charter school programs). For FY '11, Lincoln's apportionment ratio will increase by .15%, to 15.64%, even though four fewer Lincoln students (233) are attending this year. Lincoln's ratio has increased for each of the last four years (from the most recent low of 14.19% in FY '07), but has been in the 12-16% range for about the last 20 years.

The "Total Budget" shown in the above chart is the sum of the operating budget, which is subject to each town's respective Finance Committee guideline, and debt service, which is determined by the terms of the construction bonds. The "Offsets" are then subtracted to determine the "Total Assessment", and the "Lincoln Share" is then determined by the apportionment ratio.

As seen in the chart, the "Offsets" are expected to be significantly lower this year. The FY '11 "Total Assessment" is therefore expected to increase by \$925,981 (4.09%) over FY '10 even if the "Total Budget" only very slightly increases if Sudbury does not approve an override. If Sudbury approves an override, the "Total Assessment" is expected to increase by \$1,488,204 (6.57%) over FY '10, even though the "Total Budget" will increase by only \$583,342 (2.2%). Lincoln's share of the assessment is expected to increase by \$173,268 (4.93%) without a Sudbury override and by \$261,200 (7.43%) with an override. The Finance Committee recommends applying the \$89,863 funds from the Lincoln-Sudbury Regional High School Stabilization Fund to help cover this one-time change in the Offsets.

A significant portion of the “Offsets”, known as “reapportionment”, consists of revenues in excess of budget and unexpended budgeted expenses during the most recently certified prior year (similar to Lincoln’s certified “free cash”). Reapportionment has been a significant factor during the past decade because of a relatively high level of available “free cash” and Sudbury’s policy to utilize all of the “free cash” as an “Offset” (see “Key Issues” below). However, the “free cash” available for reapportionment in FY ‘11 is approximately \$529,000 less than in FY ‘10 (about a 60% decrease) and is considerably less than in any year during the prior decade. The decrease resulted from lower interest rates, expenditure of invested construction funds, and tighter budgets. However, the high school estimates that the “free cash” will remain stable at the FY ‘11 level in upcoming years.

State aid has also been a significant “Offset” but is expected to be \$355,000 less in FY ‘11. Federal “stimulus” funds replaced a nearly \$190,000 state aid cut in FY ‘10. No “stimulus” funds are expected in FY ‘11, and the high school currently estimates an additional \$165,000 state aid cut in FY ‘11 (a 7.5% cut in Chapter 70 education aid and a 10% cut in regional transportation aid).

The regional agreement requires that the high school’s budget be the lowest approved by Lincoln or Sudbury. The Sudbury Finance Committee has issued both a 0.42% no-override guideline and a 2.75% override guideline, and the Sudbury Board of Selectmen and Finance Committee have approved an override proposal for their Town Meeting warrant. Because Sudbury may approve an override, the high school budget being proposed at the Lincoln Town Meeting includes a sufficient appropriation to fund Lincoln’s assessment if Sudbury approves an override budget. The high school anticipates that an override budget would not require additional staff reductions, but FY ‘09 staffing levels would not be restored and nor would the prior years’ negative impacts be alleviated.

If Sudbury does not approve an override, the high school anticipates having to eliminate another 6.5 FTEs of professional staff and 1 FTE of support staff, thus further increasing class size and teacher loads and further limiting the depth and breadth of programs. The aggregate impact of no-override Sudbury budgets in FY ‘09-11 would be the loss of approximately 15 FTEs of professional staff and 5.5 FTEs of support staff. Moreover, during FY ‘03-11 the student enrollment is expected to have increased by 268, but the professional staff would have actually declined by several FTEs. An FY ‘11 no-override budget would also further adversely impact supplies and equipment.

Key Issues

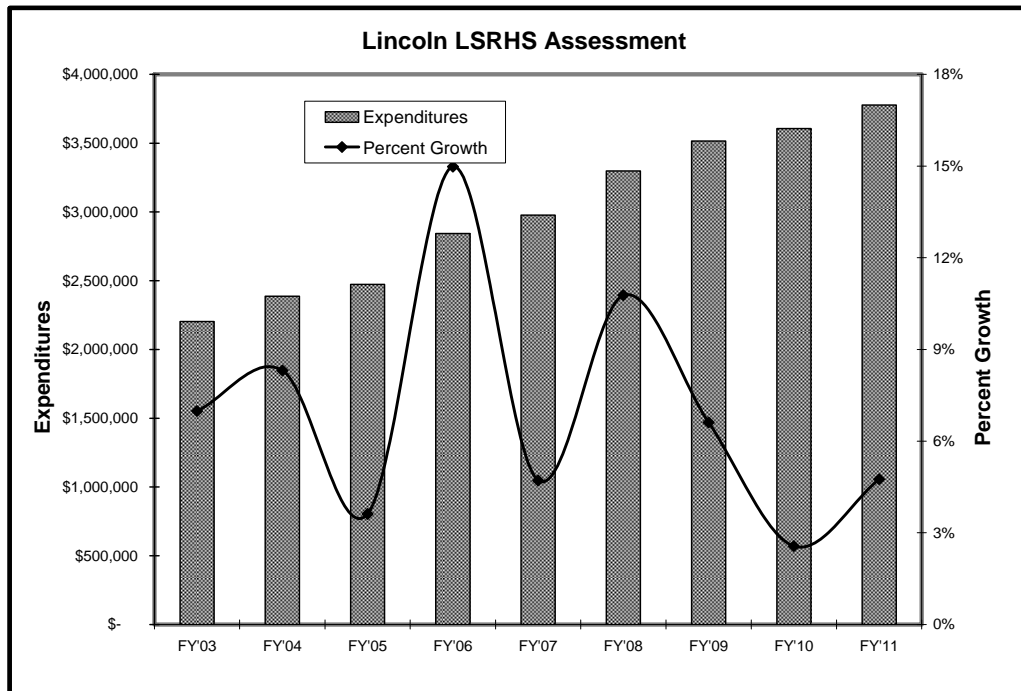
- The “Total Budget” includes items not normally found in local school budgets, such as health insurance, other insurance, and other employee benefit expenses. Growth in these non-discretionary costs continues to exert pressure on the discretionary aspects of the budget.
- A teacher’s-union contract was recently executed, effective for FY ‘10-12. For FY ‘11, all teachers are entitled to a 1.75% cost-of-living increase, and certain “master” teachers are entitled to an additional 1% increase.
- The high school has negotiated favorable utility arrangements, allowing it to budget for slight decreases. Special education expense for out-of-district placements is expected to increase 13%, but aggregate special education costs will not significantly increase due to the high school’s comprehensive in-house program. Most other general expenses are budgeted to increase 2.3%. Fees (such as for activities, athletics, and parking), the METCO grant, state special-education aid, tuitions, and other revenues are assumed to be level.
- The Middlesex County Retirement System assessment for the pensions of eligible non-teaching staff is budgeted to increase 4.5%. Recent investment declines will not be reflected in the System’s assessments until at least FY ‘12 and could be somewhat mitigated by pending legislative proposals. The pensions of teachers and eligible administrators are provided by the

Massachusetts Teachers Retirement System, for which the high school does not make an employer contribution.

- Health insurance for both active employees and retirees is obtained through a purchasing group that is self-insured for most health plans. The new teachers contract requires the high school to contribute 70% of the premium cost (down from 75%), and teachers are paid 70% of the premium savings if they choose a lower cost health plan. Legacy plan premiums are estimated to increase 10.9%, while the lower-cost plan premiums will increase 4.8%. The high school adopted Section 18 of Chapter 32B in FY '10, mandating that retirees enroll in Medicare as the primary payor. The adoption of Section 18 is already having a positive budgetary impact and will have a greater impact as more retirees are eligible for Medicare and the future funding of retiree benefits decreases.
- Interest incurred for the building construction bonds will decrease by \$78,000 from FY '10. The bonds require level-principal payments.
- The high school maintains an Excess and Deficiency (E&D) Fund, similar to Lincoln's Reserve Fund, to cover unbudgeted emergency or other such unexpected expenses. The E&D Fund could legally be funded at up to 5% of the operating budget. The regional agreement requires that funding of the E&D Fund be approved by both town Finance Committees. The Sudbury Finance Committee has chosen not to utilize the recent higher amounts of "free cash" to increase the E&D Fund, opting instead for reapportionment. As a result, the E&D Fund has remained level for years and is now approximately 1.5% of the high school's operating budget, well below peer schools. For FY '11, the Sudbury Finance Committee has authorized a very small (\$10,000) allocation of "free cash" to the E&D Fund if an override is approved.

Warrant Article

- Article 21, Transfer of funds out of the Lincoln-Sudbury Regional High School Stabilization Fund: \$89,863 .



Minuteman Career and Technical High School

	FY '09 Actual	FY '10 Actual	FY '11 Proposed
Total District Budget	\$17,001,622	\$17,496,001	\$16,238,678
Lincoln's Assessment	\$86,654	\$52,640	\$63,000

General Information

Minuteman Career and Technical High School provides career and technical education in more than 20 professional and occupational fields and a full college academic program serving a diverse student body with multiple learning styles and associated career exploration. With full-time enrollments in grades 9-12, Minuteman also has a variety of part-time, after-school, middle school, career and technical educational activities, and college and industrial linkages.

Lincoln is one of 16 member municipalities comprising the Minuteman Regional School District which includes Acton, Arlington, Belmont, Bolton, Boxborough, Carlisle, Concord, Dover, Lancaster, Lincoln, Needham, Stow, Sudbury, Wayland, and Weston. The district is funded by a combination of assessments from each of its municipal members, state and federal reimbursements, and tuition payments by non-member municipalities for their own enrolled students. Assessment of member towns is based primarily on the proportion of their students attending to the total of member town enrollments.

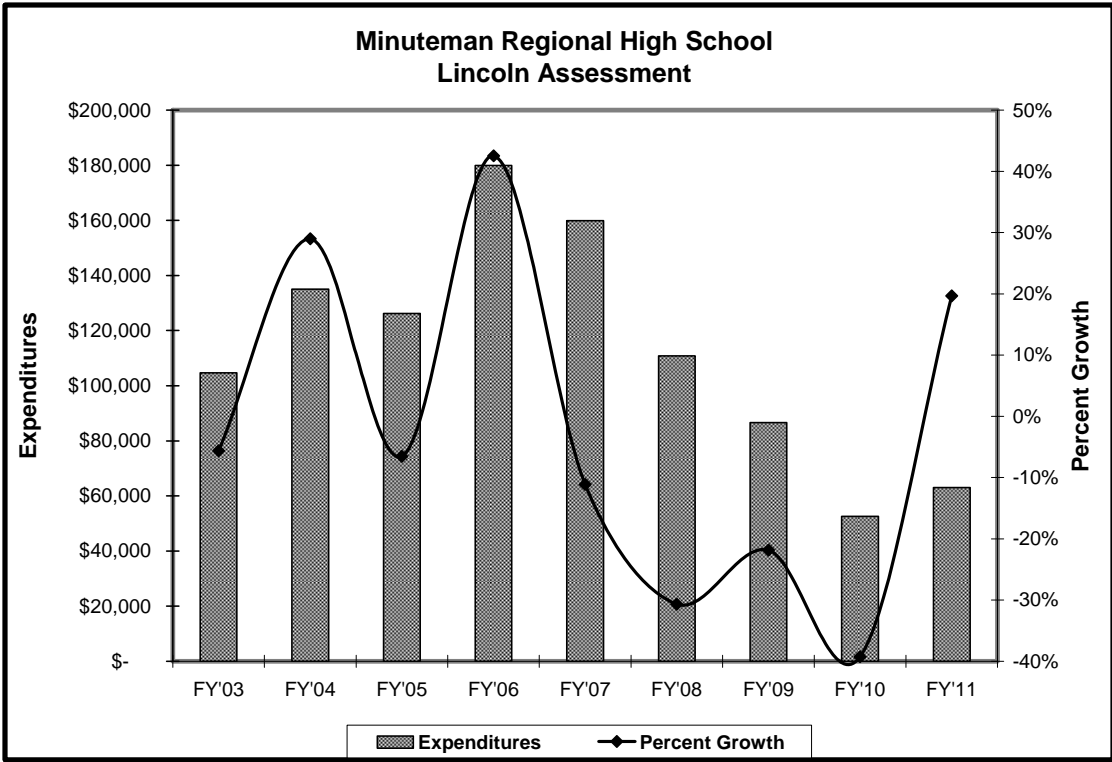
Key Issues

- Lincoln's student share of the member-municipalities total this year is about 0.5%, enrolling 3 students up from last year's 2 students. Of the total enrollment of 680 students from all municipalities, 430 come from member municipalities.
- Lincoln's FY '11 proposed line item assessment of \$63,000 is up from last year's \$52,640 due primarily to the Lincoln's student enrollment increase.
- About \$ 8.9 million of Minuteman's \$16.2 million FY '11 Budget will be assessed from member municipalities, about \$ 3.8 million will be government reimbursed; and the remaining \$4.4 million will come from non-member town tuition payments.
- The significant drop of 7.9 % from Minuteman's FY '10 \$17.5 million budget is due primarily to far-sighted school programmatic changes, better financial accountability, and reduced government reimbursements.

Minuteman is addressing its long term capital and facility needs and has been recognized by the Massachusetts School Building Authority as prepared to enter a Feasibility Study to determine what a renovation study would cost. The cost of the study is \$725,000, and it will be funded by assessments to the member municipalities on the proportion of their students attending to the total of member town enrollments. Lincoln's share of the cost of the study, to be paid in FY '12 (if the study is approved by all member towns), will be \$8,260.

Warrant Article

- Article 26, Minuteman Feasibility Study: \$725,000



Public Works and Facilities

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$1,428,157	\$1,297,988	\$1,339,826

General Information

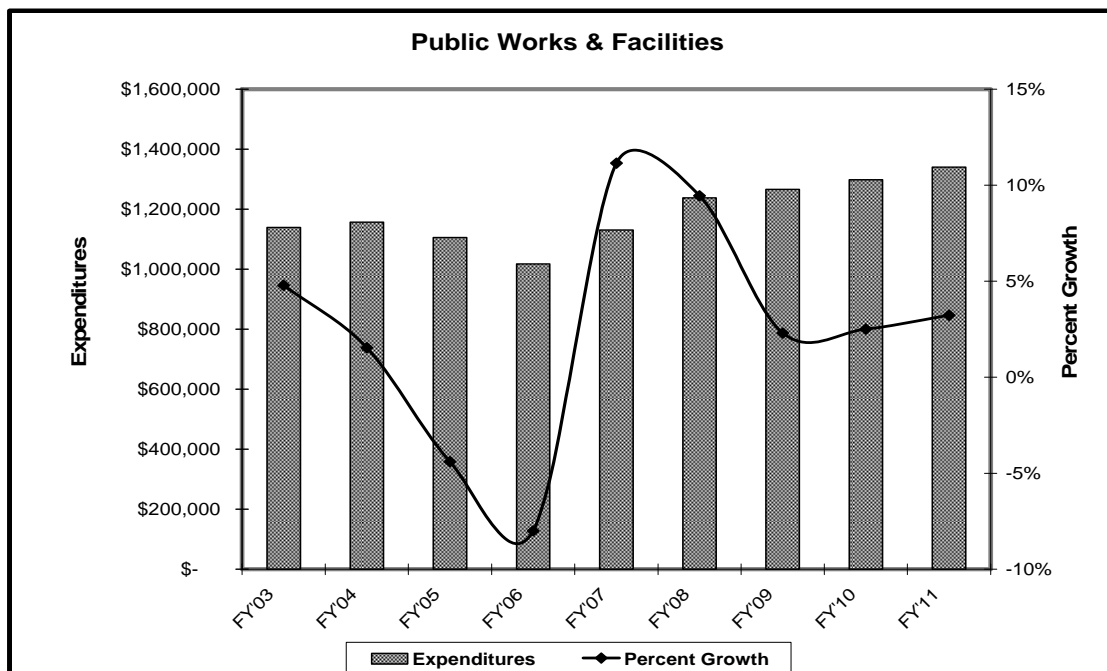
Public Works & Facilities includes Engineering & Consulting, DPW Operation & Maintenance, Snow & Ice Control, Street Lighting, Tree Warden, Building Maintenance, Rubbish Removal, Transfer Station and Cemetery.

Key Issues

- Following approval in FY '09, the Town will be spending \$5.5 million to repair the town's major roadways. Phase I roads (i.e., Bedford Road North, Trapelo Road, Baker Bridge Road, Sandy Pond Road and Route 126) were completed in the fall of 2009. Phase II roads (i.e., Lincoln Road, Bedford Road and Route 117) will be reconstructed in the summer of 2010.
- Lincoln receives Chapter 90 funds from the state each year, typically about \$200,000 depending on the state budget. These funds are typically used to resurface secondary roads. For FY '10 and '11, however, Chapter 90 funds are being used to construct the median barriers and other improvements at the RR grade crossings.
- The FY '11 operating budget is a level-service and level-staff budget.
- FY '11 is the third year of a three-year collective bargaining agreement which calls for a 2.5% cost of living adjustment.

Warrant Articles

- Article 9, DPW Sander: \$19,000
- Article 9, DPW Bobcat w/attachments: \$52,000
- Article 17, Chapter 90 appropriation for roads. Funds provided by the Commonwealth.



Human Services

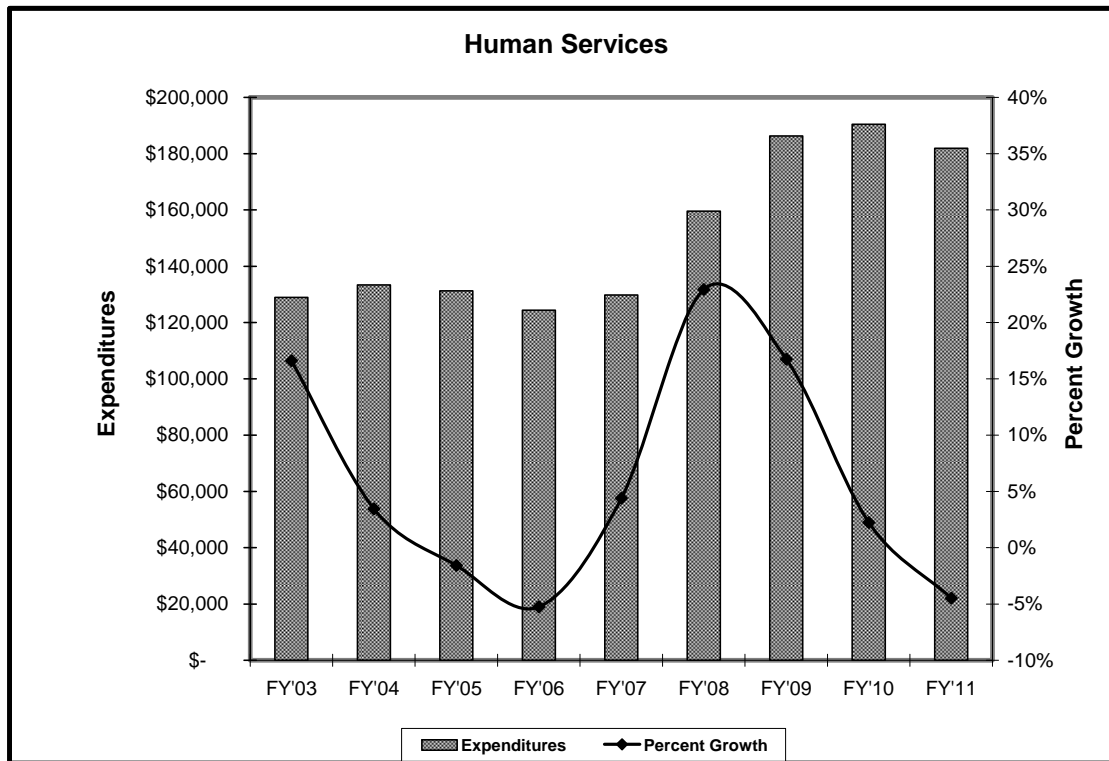
FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$162,545	\$190,442	\$181,915

General Information

Human Services covers a broad range of programs. It includes the Board of Health, the Council on Aging, Veteran's Services, the Housing Commission, 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.

Key Issues

- The FY '11 budget is a level-services budget. There is no change in staffing.
- Board of Health services are provided through an inter-town agreement with the Town of Concord.
- The budget includes \$18,000 for veteran's benefits, an amount sufficient to cover the cost of one twelve-month claim. The state reimburses 75% of town expenditures for Veterans services, so the net cost to the town of such a claim would be \$4,500.



Recreation, Conservation Land, Celebrations, and Pierce House

	FY '09 Actual	FY '10 Budget	FY '11 Proposed
Recreation	\$351,445	\$360,313	\$371,340
Conservation Land	\$78,422	\$80,061	\$84,084
Celebrations	\$21,020	\$21,565	\$22,405
Pierce House	\$43,286	\$44,367	\$45,477

General Information

A six member Recreation Committee, half elected and half appointed by the Board of Selectmen, oversees the 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.

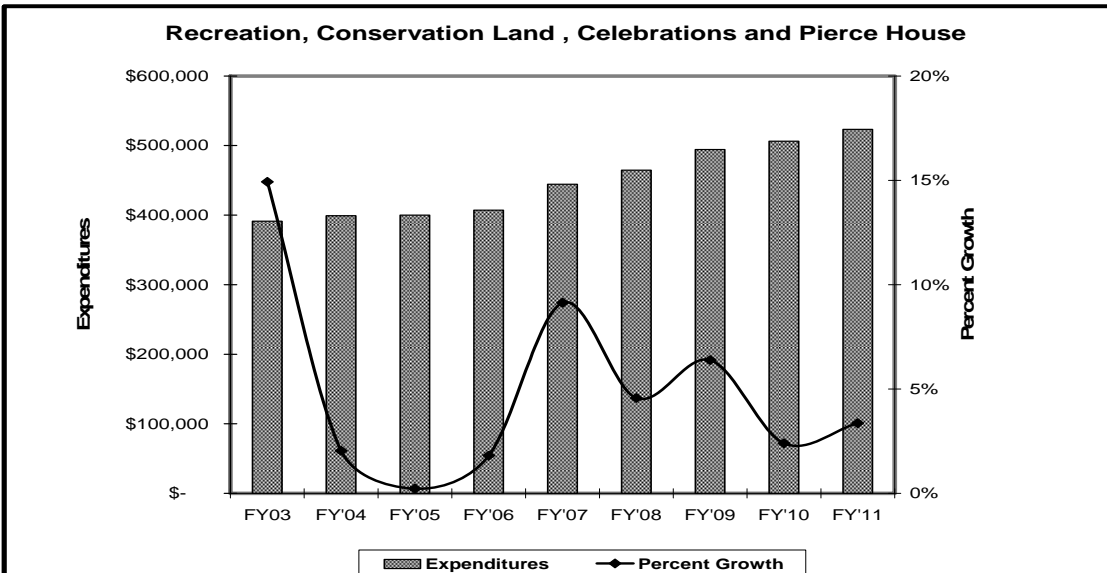
Effective in 2007, the Recreation Department assumed responsibility for organizing town celebrations, including Memorial Day, all July Fourth festivities, and the Pierce Park Summer Concert Series. The conservation land budget includes expenses for the maintenance and recreational use of conservation land. Since FY '07, personnel costs for the Pierce House have been included in this category.

Key Issues

- The FY '11 budget is a level services and level staff budget.
- The Recreation Department continues to recover approximately 90% of its costs from user fees.

Warrant Articles

- Article 12, Agricultural Land Acquisition: \$1,000,000. The intent is to acquire 21 acres of land located on Old Sudbury Road. The funds requested under this article will be from the sale of bonds. A two-thirds vote at Town Meeting and majority vote at the election is required for approval.



Library

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$804,489	\$835,282	\$849,457

General Information

The Lincoln Public Library maintains full service staffing and a collection commensurate with the needs of a highly literate community. Lincoln's library use increased dramatically to historic highs in 2009 -- the 125th anniversary of the library's opening -- with no increase in hours. The record-high number of patron visits (82,393) was up 32% from the previous year, and reference questions and attendance at special children's and adult programs and exhibits also increased. Circulation of both printed and recorded materials reached an all-time high of 172,019 items.

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 in spring and fall, and five days a week in July and August. Free Internet access is available on computers in the reference room and children's department, and throughout the Library on a new 20 MB wireless connection. Through the LPL website www.LincolnPL.org, residents have online access 24/7 to reference sources, downloadable books, language-learning, and the resources of the Minuteman Library Network's forty-two member towns' libraries.

Lincoln celebrated the grand reopening of newly renovated and expanded Town Archives in the Library in November. The Library and the Town Clerk jointly manage the archives, which include a climate-controlled vault, but the salaries and utility costs are entirely in the Library budget. In addition, the Library trustees and staff continue to manage and to maintain the historic and architecturally significant Library building and grounds that anchor the town center and include the town's War Memorial.

The Friends of the Lincoln Library again provided substantial financial support through their annual appeal and monthly used book sale. In 2009 The Friends revived the popular town-wide "Know Your Town" party for new residents and sponsored a career roundtable for job seekers. The Library also sponsored events with other community organizations, including the Council on Aging, the Cultural Council, and the DeCordova Museum.

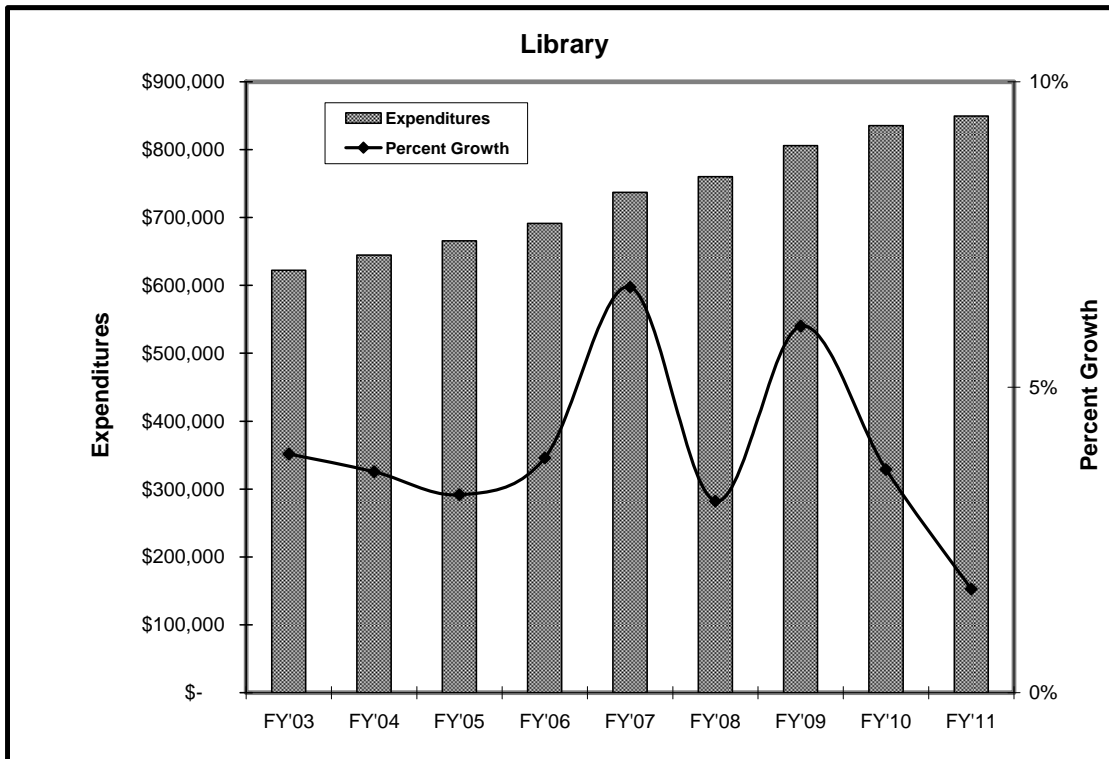
Key Issues

- The FY '11 level-service budget will enable the Library to meet the level of expenditures on books and other materials and to maintain the hours required for state certification, a prerequisite for the statewide reciprocal borrowing program and some state funding.
- This budget also will allow the Library to continue to open seven days a week for half the year.
- No additional staff hours are included for the expanded Town Archives, even as more material is collected and catalogued and as documents are prioritized for preservation treatments and digitalization.
- Rapidly increasing availability of Internet-based library services depends on the Town's IT Department maintaining up-to-date computers, Internet connections, and website capability at the Library and on continued staff training and professional development.

- The Library depends almost entirely on donations raised by The Friends to pay for adult and children’s programs, publicity, printing, and professional development opportunities.
- Continued participation by both Library Trustees and staff in town-wide efforts, such as Long Range Master Plan, IT strategic plan, capital planning, and the Healthy Communities Project, is essential to keeping the Library’s resources and common space available to the community.

Warrant Articles

- Article 9, Carpet replacement: \$21,672
- Article 16, Library building maintenance: \$19,000



Debt Service

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$1,238,833	\$288,013*	\$1,283,083

***Does not include the \$160,000 capital outlay exclusion approved last year for the Field House Roof Replacement at the Brooks School.**

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 is 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). Municipal bonds may not be retired on an accelerated basis in order to take advantage of declining interest rates. The Town of Lincoln has the highest long-term bond rating available, AAA, from S & P. This means the lowest borrowing costs available for future indebtedness. Town approval of debt exclusions (votes to exclude debt service from Proposition 2 ½ property tax limitations) is a positive credit rating factor.

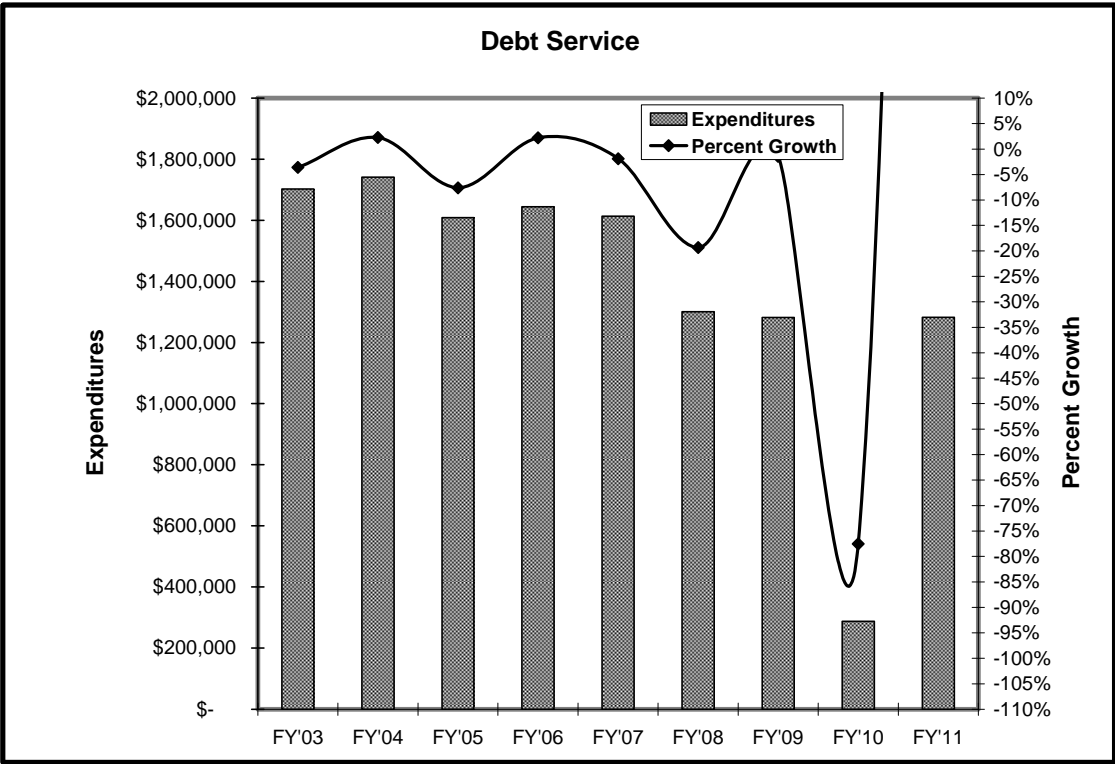
Debt service for LSRHS is part of the high school budget and not included in this section of the report.

Key Issues

- Delayed timing of the \$5.5 million road project resulted in lower debt service in FY '10 than originally budgeted. Following the long-term financing for the project anticipated in spring 2010, in FY '11 the Town will begin paying both principal and interest for the next 10 years at an annual cost expected to be approximately \$815,000 in the first year.
- Remaining debt service costs represent continued payments on previously-issued debt for a variety of projects.

Warrant Articles

- Article 10, New ambulance (Bonded) \$210,000
- Article 11, IT Improvements (Bonded) \$725,000
- Article 12, Agricultural Land Acquisition: \$1,000,000. The intent is to acquire 21 acres of land located on Old Sudbury Road. The funds requested under this article will be from the sale of bonds. A two-thirds vote at Town Meeting and majority vote at the election is required for approval.
- Article 13, K-8 building feasibility study: \$650,000 total cost with the Commonwealth providing 40% reimbursement



Pensions and Insurance

FY '09 Actual	FY '10 Budget	FY '11 Proposed
\$4,398,946	\$5,379,994	\$5,790,886

General Information

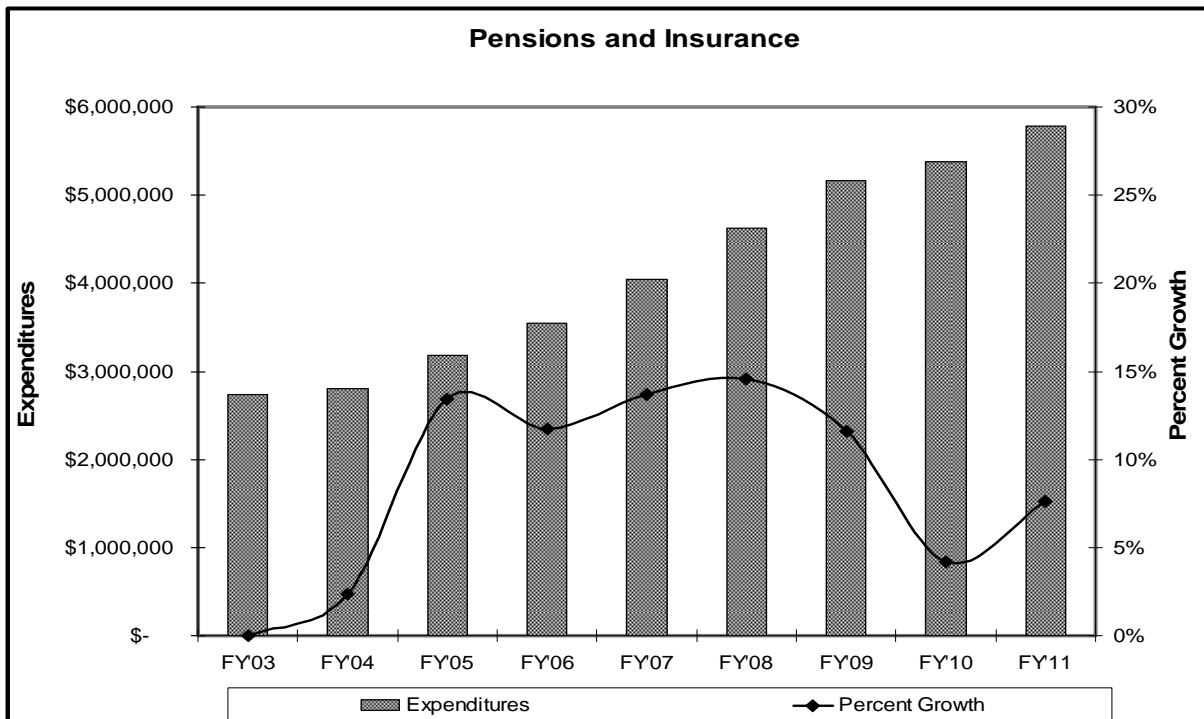
This category covers retirement insurance, unemployment insurance, health insurance, FICA/Medicare, life insurance, and general insurance, e.g., property and casualty. The overall increase for FY '11 is 7.6%.

The Town 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 because of an increasing number of participants and Lincoln's need to fully fund its pension liability by 2028. For FY '11, the cost is expected to increase by 3.9% as compared to FY '10. The increase for FY '12 may be greater, because of losses in the retirement system's investment portfolio, which will begin to affect the calculation in that year.

The Town offers several health insurance plans to its employees, including employees of the Lincoln Public Schools. These expenses are carried in this line item, not in the K-8 School Budget. Health insurance costs for FY '11 are expected to increase by 8.9% over FY '10.

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.

General Insurance includes worker's compensation, liability insurance, and the bonding of appropriate Town personnel. This cost of this insurance is expected to increase by 8.7% in FY '11 due to premium increases.



Water Department

FY '09 Actual	FY '10 Budget*	FY '11 Proposed*
\$986,862	\$1,041,401	\$1,035,999

*Budget includes a \$45,000 emergency reserve fund that reverts to the water surplus fund if not used.

General Information

The Water Department maintains Lincoln’s water supply and distribution system and assures the quality of the Town’s drinking water. Its operating budget is funded entirely through fees paid by water consumers. Revenues in excess of operating costs are contributed to a surplus fund, for capital or emergency use. The surplus fund balance is approximately \$1.0 million.

Key Issues

- Lincoln’s water usage is currently 75 gal/day/person. The state Department of Environmental Protection has required that Lincoln reduce usage to 65 gal/day/person by 2011. The Water Department is considering various approaches to accomplish this reduction.

Warrant Articles

- Article 23, Water pump station roof and painting: \$15,000
- Article 24, Water Instrumentation Upgrades: \$40,000
- Article 25, Water Utility Truck: \$25,000

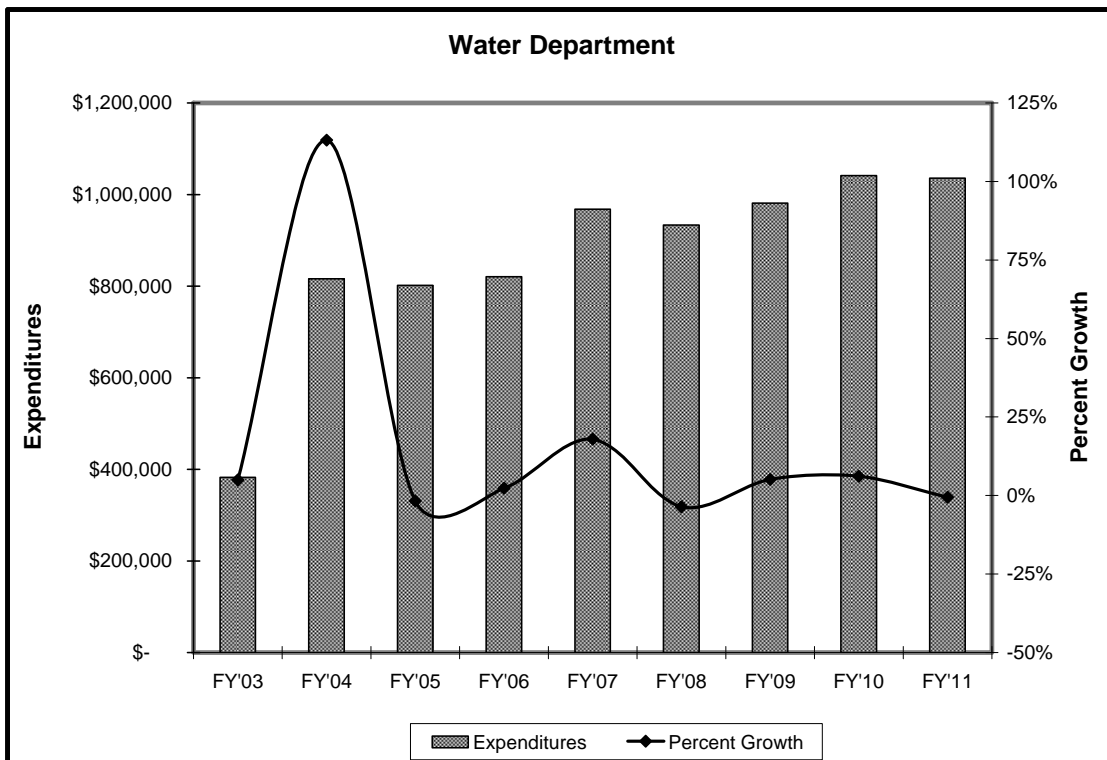


TABLE 1 FISCAL DETAIL FY 2009-2011

		ACTUAL EXPENDITURES FY09	CURRENT BUDGET FY10	PROPOSED BUDGET FY11
GENERAL GOVERNMENT				
1122	SELECTMEN			
	Personnel Services		400.00	400.00
	Expense	400.00	3,000.00	3,000.00
	TOTAL 1290	400.00	3,400.00	3,400.00
1290	TOWN OFFICES			
	Personnel Services	746,546.00	771,530.00	796,352.00
	Expense	263,897.93	298,005.00	443,884.00
	TOTAL 1290	1,010,443.93	1,069,535.00	1,240,236.00
11312	FINANCE COMMITTEE			
	Expense	200.00	250.00	350.00
	TOTAL 1310	200.00	250.00	350.00
11322	RESERVE FUND			
	Reserve Fund Appropriation	301,689.95	450,000.00	450,000.00
	TOTAL 1320	301,689.95	450,000.00	450,000.00
1137	ASSESSORS			
	Personnel Services	45,234.04	48,136.00	50,784.00
	Expense	74,520.59	77,650.00	78,380.00
	TOTAL 1370	119,754.63	125,786.00	129,164.00
11512	LAW DEPARTMENT			
	Expense	109,854.87	120,000.00	120,000.00
	TOTAL 1510	109,854.87	120,000.00	120,000.00
1161	TOWN CLERK			
	Personnel Services	83,039.48	87,656.00	108,194.00
	Expense	5,164.62	6,077.00	6,000.00
	TOTAL 1610	88,204.10	93,733.00	114,194.00
1162	REGISTRARS OF VOTERS			
	Personnel Services	150.00	200.00	200.00
	Expense	7,088.15	11,250.00	12,300.00
	TOTAL 1620	7,238.15	11,450.00	12,500.00
1171	CONSERVATION COMMISSION			
	Personnel Services	115,879.91	120,594.00	124,918.00
	Expense	7,029.57	6,400.00	6,400.00
	TOTAL 1710	122,909.48	126,994.00	131,318.00
1175	PLANNING BOARD			
	Personnel Services	112,228.08	118,681.00	125,300.00
	Expense	3,522.57	3,035.00	3,020.00
	TOTAL 1750	115,750.65	121,716.00	128,320.00

1176	BOARD OF APPEALS			
	Personnel Services	20,842.50	21,872.00	23,091.00
	Expense	<u>1,695.33</u>	<u>4,536.00</u>	<u>3,700.00</u>
	TOTAL 1760	<u>22,537.83</u>	<u>26,408.00</u>	<u>26,791.00</u>
1195	TOWN REPORT			
	Expense	<u>13,078.22</u>	<u>15,475.00</u>	<u>16,923.00</u>
	TOTAL 1950	<u>13,078.22</u>	<u>15,475.00</u>	<u>16,923.00</u>
1191	TOWN BUILDINGS			
	Personnel Services	50,039.44	51,271.00	52,532.00
	Expense	<u>62,790.00</u>	<u>69,075.00</u>	<u>71,175.00</u>
	TOTAL 1990	<u>112,829.44</u>	<u>120,346.00</u>	<u>123,707.00</u>
TOTALS FOR GENERAL GOVERNMENT		<u>2,024,891.25</u>	<u>2,285,093.00</u>	<u>2,496,903.00</u>
PUBLIC SAFETY				
1211	POLICE DEPARTMENT			
	Personnel Services	1,257,011.91	1,264,260.00	1,302,250.00
	Expense	<u>61,850.96</u>	<u>71,280.00</u>	<u>71,280.00</u>
	TOTAL 2110	<u>1,318,862.87</u>	<u>1,335,540.00</u>	<u>1,373,530.00</u>
1221	FIRE DEPARTMENT			
	Personnel Services	1,095,496.00	1,101,188.00	1,160,134.00
	Expense	<u>54,909.80</u>	<u>53,300.00</u>	<u>53,300.00</u>
	TOTAL 2210	<u>1,150,405.80</u>	<u>1,154,488.00</u>	<u>1,213,434.00</u>
1231	EMERGENCY MEDICAL SERVICES			
	Personnel Services	42,277.23	65,429.00	65,429.00
	Expense	<u>23,252.00</u>	<u>23,932.00</u>	<u>23,932.00</u>
	TOTAL 2310	<u>65,529.23</u>	<u>89,361.00</u>	<u>89,361.00</u>
1249	BUILDING DEPARTMENT			
	Personnel Services	164,204.26	168,527.00	174,015.00
	Expense	<u>5,315.00</u>	<u>7,040.00</u>	<u>7,040.00</u>
	TOTAL 2490	<u>169,519.26</u>	<u>175,567.00</u>	<u>181,055.00</u>
1251	COMMUNICATIONS CENTER			
	Personnel Services	245,569.60	277,206.00	284,511.00
	Expense	<u>26,600.14</u>	<u>33,673.00</u>	<u>33,673.00</u>
	TOTAL 2510	<u>272,169.74</u>	<u>310,879.00</u>	<u>318,184.00</u>
1291	EMERGENCY MANAGEMENT			
	Personnel Services	1,000.00	1,500.00	1500.00
	Expense	<u>10,700.00</u>	<u>10,492.00</u>	<u>10492.00</u>
	TOTAL 2910	<u>11,700.00</u>	<u>11,992.00</u>	<u>11,992.00</u>
1292	DOG OFFICER			
	Expense	<u>8,402.28</u>	<u>8,654.00</u>	<u>9,000.00</u>
	TOTAL 2910	<u>8,402.28</u>	<u>8,654.00</u>	<u>9,000.00</u>

1299	PUBLIC SAFETY BUILDING			
	Personnel Services	12,279.85	14,637.00	15,002.00
	Expense	62,830.00	61,325.00	67,460.00
	TOTAL 2990	<u>75,109.85</u>	<u>75,962.00</u>	<u>82,462.00</u>
TOTALS FOR PUBLIC SAFETY		<u><u>3,071,699.03</u></u>	<u><u>3,162,443.00</u></u>	<u><u>3,279,018.00</u></u>
EDUCATION				
1310	LOCAL SCHOOL SYSTEM			
	Personnel Services & Expense	9,012,721.98	9,068,723.00	9,289,319.00
	TOTAL 3100	<u>9,012,721.98</u>	<u>9,068,723.00</u>	<u>9,289,319.00</u>
1331	LINCOLN-SUDBURY REG HS			
	Regional School District Assessment	3,476,170.81	3,605,706.00	3,777,042.62
	TOTAL 3310	<u>3,476,170.81</u>	<u>3,605,706.00</u>	<u>3,777,042.62</u>
1332	MINUTEMAN REG VOC TECH SCH			
	Regional School District Assessment	86,654.00	52,640.00	63,000.00
	TOTAL 3320	<u>86,654.00</u>	<u>52,640.00</u>	<u>63,000.00</u>
TOTALS FOR EDUCATION		<u><u>12,575,546.79</u></u>	<u><u>12,727,069.00</u></u>	<u><u>13,129,361.62</u></u>
PUBLIC WORKS & FACILITIES				
1411	ENGINEERING & CONSULTING			
	Expense	54,318.99	75,000.00	90,000.00
	TOTAL 4110	<u>54,318.99</u>	<u>75,000.00</u>	<u>90,000.00</u>
1422	DPW OPERATION & MAINTENANCE			
	Personnel Services	545,394.27	557,215.00	578,397.00
	Expense	220,554.53	225,080.00	232,609.00
	TOTAL 4220	<u>765,948.80</u>	<u>782,295.00</u>	<u>811,006.00</u>
1423	DPW SNOW & ICE CONTROL			
	Personnel Services	55,601.49	67,318.00	68,980.00
	Expense	260,389.95	46,730.00	47,860.00
	TOTAL 4230	<u>315,991.44</u>	<u>114,048.00</u>	<u>116,840.00</u>
1424	STREET LIGHTING			
	Expense	42,249.10	36,605.00	45,000.00
	TOTAL 4240	<u>42,249.10</u>	<u>36,605.00</u>	<u>45,000.00</u>
1427	TREE WARDEN			
	Expense	5,842.00	6,100.00	6,250.00
	TOTAL 4270	<u>5,842.00</u>	<u>6,100.00</u>	<u>6,250.00</u>
1429	DPW BUILDING			
	Expense	27,760.00	26,405.00	26,405.00
	TOTAL 4290	<u>27,760.00</u>	<u>26,405.00</u>	<u>26,405.00</u>
1433	RUBBISH REMOVAL			
	Expense	14,383.80	13,210.00	-
	TOTAL 4330	<u>14,383.80</u>	<u>13,210.00</u>	<u>-</u>

1434	TRANSFER STATION			
	Personnel Services	70,850.00	72,350.00	74,990.00
	Expense	113,223.42	141,700.00	139,060.00
	TOTAL 4340	<u>184,073.42</u>	<u>214,050.00</u>	<u>214,050.00</u>
1491	CEMETERY DEPARTMENT			
	Personnel Services	2,030.75	3,075.00	3,075.00
	Expense	15,559.08	27,200.00	27,200.00
	TOTAL 4910	<u>17,589.83</u>	<u>30,275.00</u>	<u>30,275.00</u>
TOTALS FOR PUBLIC WORKS & FACILITIES		<u>1,428,157.38</u>	<u>1,297,988.00</u>	<u>1,339,826.00</u>

HUMAN SERVICES

1511	BOARD OF HEALTH			
	Expense	19,221.55	24,982.00	24,982.00
	TOTAL 5110	<u>19,221.55</u>	<u>24,982.00</u>	<u>24,982.00</u>
1522	MINUTEMAN HOME CARE			
	Expense	1,136.00	1,199.00	1,200.00
	TOTAL 5220	<u>1,136.00</u>	<u>1,199.00</u>	<u>1,200.00</u>
1541	COUNCIL ON AGING			
	Personnel Services	125,757.77	130,361.00	121,833.00
	Expense	15,647.93	14,900.00	14,900.00
	TOTAL 5410	<u>141,405.70</u>	<u>145,261.00</u>	<u>136,733.00</u>
1543	VETERANS' SERVICES			
	Expense	781.49	18,000.00	18,000.00
	TOTAL 5430	<u>781.49</u>	<u>18,000.00</u>	<u>18,000.00</u>
1591	HOUSING COMMISSION			
	Expense	0.00	1,000.00	1,000.00
	TOTAL 5910	<u>0.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
1596	CODMAN COMPLEX			
	Expense	0.00	0.00	0.00
	TOTAL 5960	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTALS FOR HUMAN SERVICES		<u>162,544.74</u>	<u>190,442.00</u>	<u>181,915.00</u>

CULTURE & RECREATION

1611	LIBRARY			
	Personnel Services	576,684.75	593,498.66	616,755.00
	Expense	167,323.16	174,783.31	171,801.87
	TOTAL 6110	<u>744,007.91</u>	<u>768,281.97</u>	<u>788,556.87</u>
1612	LIBRARY BUILDING			
	Expense	60,481.00	67,000.00	60,900.00
	SUB-TOTAL	<u>60,481.00</u>	<u>67,000.00</u>	<u>60,900.00</u>
	Capital Outlay			-
	TOTAL 6120	<u>60,481.00</u>	<u>67,000.00</u>	<u>60,900.00</u>

1631	RECREATION DEPARTMENT			
	Personnel Services	274,594.99	279,563.00	283,590.00
	Expense	76,849.90	80,750.00	87,750.00
	TOTAL 6310	<u>351,444.89</u>	<u>360,313.00</u>	<u>371,340.00</u>
1651	CONSERVATION LAND			
	Personnel Services	63,871.92	67,411.00	71,434.00
	Expense	14,550.00	12,650.00	12,650.00
	TOTAL 6510	<u>78,421.92</u>	<u>80,061.00</u>	<u>84,084.00</u>
1661	CELEBRATIONS COMMITTEE			
	Expense	21,020.00	21,565.00	22,405.00
	TOTAL 6610	<u>21,020.00</u>	<u>21,565.00</u>	<u>22,405.00</u>
16931	PIERCE HOUSE			
	Personnel Services	43,285.75	44,367.00	45,477.00
	TOTAL '016620	<u>43,285.75</u>	<u>44,367.00</u>	<u>45,477.00</u>
TOTALS FOR CULTURE & RECREATION		<u><u>1,255,375.72</u></u>	<u><u>1,341,587.97</u></u>	<u><u>1,372,762.87</u></u>
DEBT SERVICE				
1712	SCHOOL CONSTRUCTION 1996			
	Principal Long-Term Debt	1,000,000.00		
	Interest Long-Term Debt	30,000.00		
	TOTAL 7120	<u>1,030,000.00</u>	<u>0.00</u>	<u>-</u>
176-177	BEMIS, TOWN OFFICE ROOF, POOL			
	Principal Long-Term Debt	100,000.00	100,000.00	100,000.00
	Interest Long-Term Debt	22,220.00	19,000.00	15,620.00
	Interest Short-Term			
	TOTAL 7340	<u>122,220.00</u>	<u>119,000.00</u>	<u>115,620.00</u>
1791	INTEREST SHORT-TERM DEBT			
	Interest Short-Term Debt	0.00	25,000.00	25,000.00
	TOTAL 7910	<u>0.00</u>	<u>25,000.00</u>	<u>25,000.00</u>
1792	FIRE TRUCK-ENGINE 2			
	Principal Long-Term Debt	45,000.00	45,000.00	45,000.00
	Interest Long-Term Debt	14,962.50	13,162.50	11,812.50
	TOTAL	<u>59,962.50</u>	<u>58,162.50</u>	<u>56,812.50</u>
17738	FIRE TRUCK PUMPER/TANKER			
	Principal Long-Term Debt	20,000.00	20,000.00	20,000.00
	Interest Long-Term Debt	6,650.00	5,850.00	5,250.00
	TOTAL	<u>26,650.00</u>	<u>25,850.00</u>	<u>25,250.00</u>
17748	ROAD PROJECT			
	Interest Short-Term Debt	0.00	60,000.00	815,000.00
	TOTAL	<u>0.00</u>	<u>60,000.00</u>	<u>815,000.00</u>
17749	EMS AMBULANCE			
	Principal Long-Term Debt			42,000.00
	Interest Long-Term Debt			8,400.00
	TOTAL			<u>50,400.00</u>

17750	MACDOWELL LAND ACQUISITION			
	Principal Long-Term Debt			100,000.00
	Interest Long-Term Debt			40,000.00
	TOTAL			<u>140,000.00</u>
17751	IT STRATEGIC PLAN			
	Interest on Short Term Debt			29,000.00
	TOTAL			<u>29,000.00</u>
17752	SCHOOL BUILDING FEASIBILITY STUDY			
	Interest on Short Term Debt			26,000.00
	TOTAL			<u>26,000.00</u>
TOTALS FOR DEBT SERVICE		<u>1,238,832.50</u>	<u>288,012.50</u>	<u>1,283,082.50</u>
UNCLASSIFIED				
INSURANCE				
1911	RETIREMENT ASSESSMENT			
	Expense	1,169,437.73	1,284,346.00	1,334,417.00
	TOTAL 9110	<u>1,169,437.73</u>	<u>1,284,346.00</u>	<u>1,334,417.00</u>
1913	UNEMPLOYMENT INSURANCE			
	Personnel Services	5,482.77	30,000.00	30,000.00
	TOTAL 9130	<u>5,482.77</u>	<u>30,000.00</u>	<u>30,000.00</u>
1914	HEALTH INSURANCE			
	Personnel Services	2,690,321.32	3,457,445.00	3,766,895.00
	Expense	15,438.00	18,000.00	18,000.00
	TOTAL 9140	<u>2,705,759.32</u>	<u>3,475,445.00</u>	<u>3,784,895.00</u>
1915	LIFE INSURANCE			
	Personnel Services	5,898.37	9,000.00	9,000.00
	TOTAL 9150	<u>5,898.37</u>	<u>9,000.00</u>	<u>9,000.00</u>
1916	FICA/MEDICARE			
	Personnel Services	251,025.87	269,523.76	293,781.00
	TOTAL 9160	<u>251,025.87</u>	<u>269,523.76</u>	<u>293,781.00</u>
1942	GENERAL INSURANCE			
	Expense	261,342.00	311,679.10	338,793.00
	TOTAL 9420	<u>261,342.00</u>	<u>311,679.10</u>	<u>338,793.00</u>
TOTALS FOR UNCLASSIFIED		<u>4,398,946.06</u>	<u>5,379,993.86</u>	<u>5,790,886.00</u>
TOTALS FOR GENERAL FUND		<u>24,962,160.97</u>	<u>26,672,629.33</u>	<u>28,873,754.99</u>

WATER ENTERPRISE FUND

61451	WATER DEPARTMENT			
	Personnel Services	375,287.00	390,801.00	386,098.00
	Expense	406,639.23	416,600.00	425,900.00
	SUB-TOTAL	<u>781,926.23</u>	<u>807,401.00</u>	<u>811,998.00</u>
	Capital Outlay	177,677.51	189,000.00	179,000.00
	TOTAL 4510	<u>959,603.74</u>	<u>996,401.00</u>	<u>990,998.00</u>
614513	WATER DEPARTMENT			
	Emergency Reserve	27,258.00	45,000.00	45,000.00
	TOTAL 614153	<u>27,258.00</u>	<u>45,000.00</u>	<u>45,000.00</u>
TOTALS FOR WATER ENTERPRISE FUND		<u>986,861.74</u>	<u>1,041,401.00</u>	<u>1,035,998.00</u>

APPROPRIATION SUMMARY -

GENERAL GOVERNMENT	2,024,891	2,285,093	2,496,903
PUBLIC SAFETY	3,071,699	3,162,443	3,279,018
EDUCATION	12,575,547	12,727,069	13,129,362
PUBLIC WORKS & FACILITIES	1,428,157	1,297,988	1,339,826
HUMAN SERVICES	162,545	190,442	181,915
CULTURE & RECREATION	1,255,376	1,341,588	1,372,763
DEBT SERVICE	1,238,833	288,013	1,283,083
UNCLASSIFIED	4,398,946	5,379,994	5,790,886
WATER DEPARTMENT	<u>986,862</u>	<u>1,041,401</u>	<u>1,035,998</u>
TOTAL - ARTICLE 7	<u>27,142,855</u>	<u>27,714,030</u>	<u>29,909,753</u>

An Outline of Town Meeting Procedures

Set forth below is a brief description of Town Meeting procedures which govern the presentation, consideration and voting on matters which come before Town Meeting. It is hoped this summary will answer some questions which citizens have regarding Town Meeting, and may serve to make the Meeting run more smoothly and efficiently. While it may not answer all questions people have, it does outline what appears to the Moderator to be the more important facts and basic procedures relating to Town Meeting.

Warrant - The Warrant is the Agenda for the actions to come before Town Meeting. It constitutes official notice to the Town of the matters to be considered in general terms, and indicates the sponsoring Town Department or Agency who will present the Motion and lead the discussion under the Warrant Article. It is worth noting that Articles in the Warrant are not self executing; there needs to be a Motion presented to the Meeting with respect to action to be taken under each Article. Typically the Article will be "to see if the Town will . . . [take some action]" and the Motion will be "Moved: That the Town . . . [take the action]". The Motion can be virtually identical with the Article or it can be somewhat more precise and specific as long as it is within the "scope" of the Article. As the Article serves the purpose of giving notice to the Town as to what is to be considered no Motion, nor any Amendment to a Motion, can go beyond or cover matters outside of what could reasonably be considered to have been included in the Article. For example, if the Article is to see if the Town will vote to purchase 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. It would, however, be within the scope of the article if the motion was to purchase a police cruiser for \$30,000. It is up to the Moderator to determine if a motion or an amendment to a motion meets the "scope" requirement.

The Articles in the Warrant will be taken up at the Meeting in the order in which they are printed in the Warrant unless the meeting votes to take an Article out of order. One exception to this rule relates to those Articles which are on the Consent Calendar, as to which see the discussion below. If there are two or more Articles which deal with the same or similar matters or issues, it may be desirable and appropriate for the sponsor of the Articles to make some general comments about all the related Articles before presenting the individual Motions under each one.

Motions - As indicated above there needs to be a Motion presented to the Town to be voted on under each Article. If it happens, as it does from time to time, that prior to Town Meeting but after the Warrant has been printed and posted the sponsor of the Article decides not to go forward with it, there must still be a Motion to dispose of the Article, the usual one being a motion to "pass over" the Article. As you come into the auditorium for the Meeting, one of the documents set out on the table to pick up will be a printed sheet of the proposed Motions to be made under each of the Articles. There may be some Articles (usually referring to by-law amendments) which state that the amendment is on file at the Town Clerk's office. These amendments will also be included in the Motion Sheet. When the Article is called for presentation the sponsor may read the Motion as printed if it is short or may make the Motion "as printed on the Motion Sheet" if it is longer. If there are any changes or refinements to the printed Motion, these will, of course, be noted. An explanation of the proposed Action will then be made by the sponsor, some of which will be very brief and some may require more detailed explanation. The general guideline is to limit the explanation to no more than ten (10) minutes and this is usually but not always followed (most notably with the presentation of the budget). There may be other Town Boards that wish to speak with respect to action proposed under an Article after which there is opportunity for general discussion and debate from the floor of the meeting. Anyone wishing to make a comment or raise a question need only raise his or her hand and when called upon by the Moderator, may stand and wait for the delivery of a portable microphone by one of the pages. When called upon to speak please give your name and your street address and then raise your question or make your comment. Once again, there is no hard and fast rule as to time but for speakers from the

audience floor a two to three minute period should be sufficient. Amendments to a Motion can always be made, assuming they fall within the scope of the Article, as discussed above. If someone knows in advance of an Amendment they wish to make, it would be helpful to provide the text of that Amendment in writing to the Moderator. However it is not necessary to have a carefully worked out Amendment in advance. The Moderator and Town Counsel are willing and able to help with the wording of any proposed Amendments. 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.

Voting - Most motions which are made at Town Meeting are adopted by majority vote, although there are a few which by reason of a statute or Town By-Law require two-thirds vote – e.g. motions to borrow or to amend the Zoning By-Laws. If there are amendments which have been made to motions, the meeting first votes on the Amendment and then on the main motion as amended, if the amendment passes, or on the main motion without the amendment, if it fails. Voting is done first by voice vote and if the Moderator is uncertain whether the motion passes (sometimes those in the minority have louder voices!) the Moderator will call for a standing vote and if it is still unclear there will be a count by tellers appointed by the Moderator. It should be noted that the Moderator's determination of the result of the vote is final, unless seven voters stand and challenge the determination, in which event a count will be made. In accordance with a Town By-Law adopted a few years ago the same procedure is followed when a two-thirds vote is required; once again seven voters can challenge the Moderator's determination, in which case a count will be taken by the tellers.

Procedures for Voting on the Budget - The Budget as printed in this booklet is presented by the Finance Committee and after discussion and before any votes the Moderator will allow the major budgeting agencies – town and schools – to make further comments on their proposed expenditures. Following this, the Moderator will go down 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, simply raise your hand to be recognized then identify the budget line item number of concern. Once this process is completed, the Budget excluding the items held out will be voted on, presumably without further discussion, and we will then go back and take up each line item which has been held out for discussion and separate vote. The Moderator will typically return to the person holding out each item to begin the discussion.

Override Budget - In years when an Override Budget is presented by the Finance Committee, that Budget is also printed in the booklet and will be presented first and voted on in the manner outlined above. However, an affirmative vote on an Override Budget at Town Meeting is subject to a further affirmative vote on a specific override amount at the Town Election on the Monday following Saturday's Town Meeting. Therefore in order not to have to return and vote on the Non-Override Budget (also printed in the booklet) in the event the override on the ballot fails at the Monday election, the Meeting then will go through and vote on a second, Non-Override Budget under the same procedures outlined above. That vote will only become operative if the override question on the ballot is defeated. (Note that this year there is no override budget being presented by the Finance Committee.)

Consent Calendar - Pursuant to the Town's By-Laws the Moderator can designate certain Articles which are considered to be routine, non-controversial and/or of a minor nature and which are not expected to generate any discussion or opposition to be placed on the Consent Calendar. The Articles so designated, and the motions to be made under each Article, are listed on the Consent Calendar which is included in the mailing with the budget and the warrant. When the Meeting reaches the first of these Articles the entire Consent Calendar (even though the Articles may not be consecutive) will be considered. The Moderator will first go down the list of Articles on the Consent Calendar to determine if anyone wants to remove an Article from the Consent Calendar. Any

individual voter can do so by indicating the Article to be removed, in which event it will be taken up in the normal manner in its regular sequence on the Warrant. The motions under the Articles remaining on the Consent Calendar will be adopted in a single vote, presumably unanimous, which will incorporate the votes under each of the Articles as printed on the Consent Calendar. This procedure speeds up and expedites the conduct of the business of the Meeting by not requiring individual presentation and discussion of those Articles which are deemed to qualify for Consent Calendar treatment.

TOWN OF LINCOLN, MASSACHUSETTS

ANNUAL TOWN MEETING: Saturday, March 27, 2010: 9:30 a.m.
ANNUAL ELECTION: Monday, March 29, 2010: 7:30 a.m. – 8:00 p.m.

2010 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 at the Smith School Gymnasium on Monday, the twenty-ninth day of March, 2010 next, starting at 7:30 a.m., then and there to act on the following Article 1, **and also to meet for the annual town meeting in the Donaldson Auditorium in said Lincoln on Saturday, the twenty seventh day of March, 2010 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 27th day of March next."

The polls for voting the ballot on Monday, March 29, 2010 will be opened at 7:30 a.m. and will be closed at 8:00 p.m.

Any person requiring this warrant in a larger print format, or anyone requiring handicap related assistance at the town meeting, please contact the Selectmen's Office at 781-259-2600 prior to Thursday, March 18, 2010. Every reasonable attempt will be made to provide the necessary assistance.

Note: Town meeting shall be continued to Tuesday, March 30th, 2010 at 7:30 p.m. if needed.

ARTICLE 1

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

- Town Clerk for three years
- Board of Assessors for three years
- Board of Selectmen for three years
- K-8 School Committee for three years
- K-8 School Committee for three years
- Water Commissioner for three years
- Board of Health for three years
- Cemetery Commission for three years
- Planning Board for five years
- Planning Board for four years
- Commissioner of Trust Funds for three years
- Trustee of Bemis Fund for three years
- DeCordova Sculpture Park and Museum Trustee for four years
- Housing Commission for three years
- Recreation Committee for three years
- Trustee of Lincoln Library for three years
- Lincoln Sudbury Regional District School Committee for three years
- Lincoln Sudbury Regional District School Committee for three years

And to consider the following questions:

Question 1 Shall the Town of Lincoln be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to purchase and install information technology equipment and support services, including related hardware, software, licenses, training, maintenance, including all costs incidental and related thereto?

YES NO

Question 2 Shall the Town of Lincoln be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to purchase the MacDowell property, consisting of 21 +/- acres of land located on Old Sudbury Road (Assessors Map and Parcel # 126-1-0), including all costs incidental and related thereto?

YES NO

Question 3 Shall the Town of Lincoln be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to fund the K – 8 School Building Feasibility Study, including all costs incidental and related thereto?

YES NO

Question 4 Shall the Town of Lincoln be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to purchase a new ambulance and any related equipment for the Lincoln Fire Department, including all costs incidental and related thereto?

YES NO

Question 5 Shall the Board of Selectmen be authorized to grant a license for the sale of wines and malt beverages not to be drunk on the premises?

Summary: On January 12, 2010, the Governor approved Chapter 4 of the acts of 2010 (the "Act"). The wording of this ballot question is taken directly from the Act, which follows a vote taken at the March 28, 2009 Annual Town Meeting. If accepted by the voters of the Town, the Act will authorize the Board of Selectmen, as licensing authority, to issue only one license for the retail sale of wine and malt beverages not for consumption on the premises where the beverages are sold. State liquor license laws will apply to the issuance of the license. Said laws require, among other things, that the Board of Selectmen provide notice to abutters, hold a hearing, and determine that the applicant is of good character and has premises suitable for such purposes.

YES

NO

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.

Selectmen

ARTICLE 3

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

Selectmen

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.

Selectmen

ARTICLE 5

To see if the Town will vote to accept Chapter 73, Section 4 of the Acts of 1986 as amended by Chapter 126 of the Acts of 1988, for the purpose of increasing the real estate tax exemptions by 100 percent to all persons who qualify for property tax exemptions under Clauses 17, 17C, 17C1/2, 17D, 22, 22A, 22B, 22C, 22D, 22E, 37, 37A, 41, 41B and 41C under Chapter 59, Section 5 of the Massachusetts General Laws; or take any other action relative thereto.

Assessors

ARTICLE 6

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 fund the Town's Senior Tax Work-off Program, as established pursuant to Massachusetts General Laws, Chapter 59, Section 5K, as amended by Chapter 27, Section 24, of the Acts of 2009, (increasing the maximum amount of the deduction that eligible seniors may take to their property tax bill from the current \$750 to the new limit of \$1000 effective July 1, 2010); or take any other action relative thereto.

Selectmen

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; or take any other action relative thereto.

Finance Committee

ARTICLE 8

To see if the Town will vote to establish a Capital Planning Committee bylaw that shall establish the parameters of the Capital Planning process, as well as the charge of the Capital Planning Committee, as substantially set forth in a draft bylaw on file with the Town Clerk's office; or take any other action relative thereto.

Selectmen

ARTICLE 9

To receive and act upon a report of the Capital Planning Committee, and 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 purchase the following capital items, or take any action in relation thereto:

Capital Project	
A	To fund the purchase of a replacement slide-in sander, and any related equipment, for the Highway Department, including all costs incidental and related thereto, and to authorize disposal of, by sale or otherwise, any related excess equipment.
B	To fund the purchase of a BobCat with attachments, and any related equipment, for the Highway Department, including all costs incidental and related thereto, and to authorize disposal of, by sale or otherwise, any related excess equipment.
C	To fund the purchase of a replacement Car 1, and any related equipment, for the Fire Department, including all costs incidental and related thereto, and to authorize disposal of, by sale or otherwise, any related excess equipment.
D	To fund the purchase of two replacement cruisers, and any related equipment, for the Police Department, including all costs incidental and related thereto, and to authorize disposal of, by sale or otherwise, any related excess equipment.
E	To fund the purchase and installation of replacement carpeting for certain sections of the Lincoln Library, including all costs incidental and related thereto.
F	To fund the purchase and installation of an emergency generator, and any related equipment, for the Town Offices building, including all costs incidental and related thereto.
G	To fund the necessary asbestos abatement at the Hartwell School, including all costs incidental and related thereto.
H	To fund the necessary repair of various Lincoln school campus buildings to include resealing and other repairs to the Brooks School roof, and the painting of various exterior curtain walls, including all costs incidental and related thereto.
I	To fund the replacement or repair of portions of the asphalt paving at the Lincoln School campus, including all costs incidental and related thereto.
J	To fund the purchase of a replacement van and new trailer, and any related equipment, for the Lincoln Schools, including all costs incidental and related thereto, and to authorize disposal of, by sale or otherwise, any related excess equipment

Selectmen

ARTICLE 10

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 purchase a new ambulance and related equipment for the Fire Department; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters of a ballot question to exclude the amounts required to pay for the bond or any notes issued for such purchase from the provisions of Proposition 2 ½, so called; or take any other action relative thereto.

Selectmen

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 purchase and install information technology equipment and support services, including related hardware, software, licenses, training, maintenance, including all costs incidental and related thereto; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters of a ballot question to exclude the amounts required to pay for the bond or any notes issued for such purchase from the provisions of Proposition 2 ½, so called; or take any other action relative thereto.

Selectmen

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, for the purchase, and other costs incidental and related thereto, of property owned by Roy S. MacDowell, Trustee of Stonehedge Farm Nominee Trust consisting of 21 +/- acres of land located on Old Sudbury Road (Assessor's Map and Parcel 126 – 1 – 0) for agricultural and conservation purposes and for the purpose of granting restrictions, easements, options, rights of reverter and/or rights of first refusal for the purpose of preserving the land for agricultural or conservation purposes; and to authorize the Board of Selectmen to acquire such land on such terms and conditions and subject to such restrictions, easements and rights as the Selectmen may determine, and to grant restrictions, easements and rights as the Selectmen may determine; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters of a ballot question to exclude the amounts required to pay for the bond or any notes issued for such purchase from the provisions of Proposition 2 ½, so called; or take any other action relative thereto.

Selectmen

ARTICLE 13

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 expended under the direction of the School Building Committee, to fund the K – 8 Lincoln Building Feasibility Study, including all costs incidental and related thereto; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters of a ballot question to exclude the amounts required to pay for the bond or any notes issued for such purchase from the provisions of Proposition 2 ½, so called; or take any other action relative thereto.

School Committee

ARTICLE 14

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, for the repair and rehabilitation of classrooms at the Lincoln School campus, including all costs incidental and related thereto; or take any other action relative thereto.

School Committee

ARTICLE 15

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.

Selectmen

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 be used for the repair and maintenance of the Lincoln Library, including all costs incidental and related thereto; or to take any other action relative thereto.

Library Trustees

ARTICLE 17

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, Section 34, Clause 2(a) or other state roadway reimbursement programs and to authorize the Board of Selectmen to enter into a contract with the Commonwealth of Massachusetts, Massachusetts Highway Department and to authorize the Treasurer, with the approval of the Board of Selectmen, to borrow in anticipation of 100% reimbursement of said amounts; or take any other action relative thereto.

Selectmen

ARTICLE 18

To receive and act on a recommendation from the Board of Selectmen and Finance Committee with regard to the presentation of the annual Bright Light Award, and to raise and appropriate the necessary funds to support this award; or take any other action relative thereto.

Selectmen

ARTICLE 19

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 fund the Group Insurance Liability Fund established by Chapter 474 of the Acts of 2008, which Fund will allow the Town to meet the so-called "other post employment benefits" funding obligations established by the Statements 43 and 45 of the General Accounting Standards Board; or take any other action relative thereto.

Selectmen

ARTICLE 20

To see if the Town will vote to transfer from free cash a sum of money equal to the state reimbursement amounts for Special Education Medicaid expenses to supplement the FY11 Lincoln School operating budget; or take any other action relative thereto.

School Committee

ARTICLE 21

To see if the Town will vote to appropriate a sum of money from Lincoln's Public High School Stabilization Fund, previously established at the March 28, 2009 Town Meeting, Article 28, in accordance with Massachusetts General Laws, Chapter 40, Section 5B, for the purpose of funding a portion of the FY11 assessment for the Lincoln Sudbury High School budget; or take any other action relative thereto.

Finance Committee

ARTICLE 22

To see if the Town will vote to 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; or take any other action relative thereto.

Finance Committee

ARTICLE 23

To see if the Town will vote to transfer from Water Enterprise Retained Earnings a sum of money for necessary pump station maintenance involving the roof and painting of the exterior of the building, including all costs incidental and related thereto; or take any other action relative thereto.

Water Commissioners

ARTICLE 24

To see if the Town will vote to transfer from Water Enterprise Retained Earnings a sum of money for necessary filtration plant instrumentation upgrades involving the telemetry, ICP modules and analyzers, including all costs incidental and related thereto; or take any other action relative thereto.

Water Commissioners

ARTICLE 25

To see if the Town will vote to transfer from Water Enterprise Retained Earnings a sum of money for the purchase of a new utility truck and related equipment, including all costs incidental and related thereto, and to authorize the disposal by sale or otherwise of any related excess vehicle or equipment; or take any other action relative thereto.

Water Commissioners

ARTICLE 26

To see if the Town will approve the \$725,000 borrowing authorized by vote of the Minuteman Regional Vocational Technical School District on March 23, 2010, for the purpose of paying costs of a feasibility study to consider options for making improvements to the District's high school building located at 758 Marrett Road, Lexington, Massachusetts, said sum to be expended at the direction of the school Building Committee; or take any other action relative thereto.

Selectmen

ARTICLE 27

To see if the Town will vote to authorize an increase in the fee charged for each written demand issued by the Tax Collector from Five Dollars (\$5.00) to Ten Dollars (\$10.00) to be added and collected as part of the tax as authorized by Massachusetts General Law Chapter 60, Section 15; or take any other action relative thereto.

Selectmen

ARTICLE 28

To see if the Town will vote to reauthorize revolving accounts previously established by vote of the Town under Massachusetts General Laws, Chapter 44, Section 53E ½, for the following purposes: school bus fees, pre-school tuitions, fire alarm maintenance fees, firearms licenses fees and housing rental income (with amendment to the fund amounts for the school bus fees and the pre-school tuitions), said fees of the revolving accounts to be expended by the authorized entity without further appropriation; or take any other action relative thereto.

Selectmen

ARTICLE 29

To see if the Town will vote to authorize a new revolving fund established under Massachusetts General Laws, Chapter 44, Section 53E ½, for Fire Department ambulance services, with receipts being credited to the account, and the department shall be authorized to expend from such fund as needed to operate the ambulance services; or take any other action relative thereto.

Selectmen

ARTICLE 30

To receive and act upon a report from the Community Preservation Committee on the Fiscal Year 2011 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 of these methods; or take any other action relative thereto.

Community Preservation Committee

ARTICLE 31

To see if the Town will vote to adopt the “Stretch Energy Code”, 780 CMR Appendix 120AA, a copy of which is on file with the Town Clerk; or take any other action relative thereto.

Selectmen

ARTICLE 32

To see if the Town will vote to amend the zoning bylaw by adding a new Section 12.8 to establish an overlay district to allow large-scale ground-mounted solar photovoltaic facilities by right in designated locations, tentatively including a location at Minuteman High School, subject to conditions and standards for approval, and make associated changes to the zoning map and other sections of the zoning bylaw, as substantially set forth in a draft bylaw on file with the Town Clerk’s office, or take any other action relative thereto.

Selectmen

ARTICLE 33

To see if the Town will vote to amend the Demolition Delay Bylaw, Article XXI, for the purpose of establishing the conditions under which, and the process by which, fines may be issued for violation of the bylaw, as substantially set forth in an amendment on file in the Town Clerk’s office; or take any other action relative thereto.

Selectmen

ARTICLE 34

To see if the Town will vote to amend zoning bylaw Section 5.1, Agricultural Uses, to allow agriculture related uses by right on parcels of 5 acres or more, as substantially set forth in an amendment on file in the Town Clerk’s office; or take any action relative thereto.

Planning Board

ARTICLE 35

To see if the Town will vote to amend zoning bylaw Section 13.2.7 to clarify measurement of a front yard, as substantially set forth in an amendment on file with the Town Clerk’s office; or take any action relative thereto.

Planning Board

ARTICLE 36

To see if the Town will vote to amend zoning bylaw Section 21.4 dealing with the Board of Appeals decision timeframes, to accord with the time standards of MGL C40A, Sec. 15, as substantially set forth in an amendment on file with the Town Clerk's office; or take any action relative thereto.

Planning Board

ARTICLE 37

To see if the Town will vote to amend zoning bylaw Section 12.3 dealing with the flood plain overlay district, to conform to the revised Flood Insurance Rate Maps and the National Flood Insurance Program, as substantially set forth in an amendment on file with the Town Clerk's office; or take any action relative thereto.

Planning Board

ARTICLE 38

To see if the Town will vote to amend its zoning bylaws to add a new Section 4.7 to preserve certain development rights on lots that are altered by eminent domain taking or purchase by a government entity, as substantially set forth in an amendment on file with the Town Clerk's office; or take any action relative thereto.

Planning Board

ARTICLE 39

To see if the Town will vote to amend zoning bylaw Section 12.6.6, conditions, to require that the Planning Board be notified of any change in ownership of all or part of a wireless communication facility, and to provide that conditions and renewal obligations shall be enforceable against applicants and transferees, as substantially set forth in an amendment on file with the Town Clerk's office; or take any action relative thereto.

Planning Board

ARTICLE 40

To see if the Town will accept a report of the Planning Board regarding the status of wireless communication coverage along the Rt. 126 corridor; or take any other action relative thereto.

Planning 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 ___22nd___ day of February in the year of our Lord two thousand and ten.

Sarah Cannon Holden, Chair

Gary A. Taylor

Sara A. Mattes

SELECTMEN OF LINCOLN

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. Likewise, **debt exclusion** is added to the levy limit or levy ceiling for the life of the debt only. 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 needed for authorization.

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.
- **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.

Local Revenue (Receipts): **Local revenue** or **local receipts** include excise taxes, rental fees, license and permit fees, investment income, cell tower income, and other "pay for service" fee income, such as recreation and ambulance fees.

New Growth: Proposition 2½ allows the town to increase its **levy limit** annually by an amount based on the value of new construction and other growth in the tax base that is not the result of revaluation. This provision allows the town to respond to **new growth** that may result in additional municipal costs; for example, the construction of new housing may result in increased school enrollments and therefore higher education costs. **New growth** becomes part of the levy limit base.

Override: Proposition 2½ allows a town to assess taxes in excess of the annual 2.5% increase plus **new growth** by passing an **override**. When an **override** is passed, the **levy limit** for the year is increased by the amount of the **override**. This results in a permanent increase in the town's **levy limit**. An **override** requires a majority vote of the Selectmen to be placed on a ballot. A majority vote of the electorate is needed for approval.

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.

SBAB: This refers to State Aid available to the Town or the Regional School District through the **State Building Assistance Board (SBAB)** as partial reimbursement for the capital and interest costs of our school construction projects.

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.