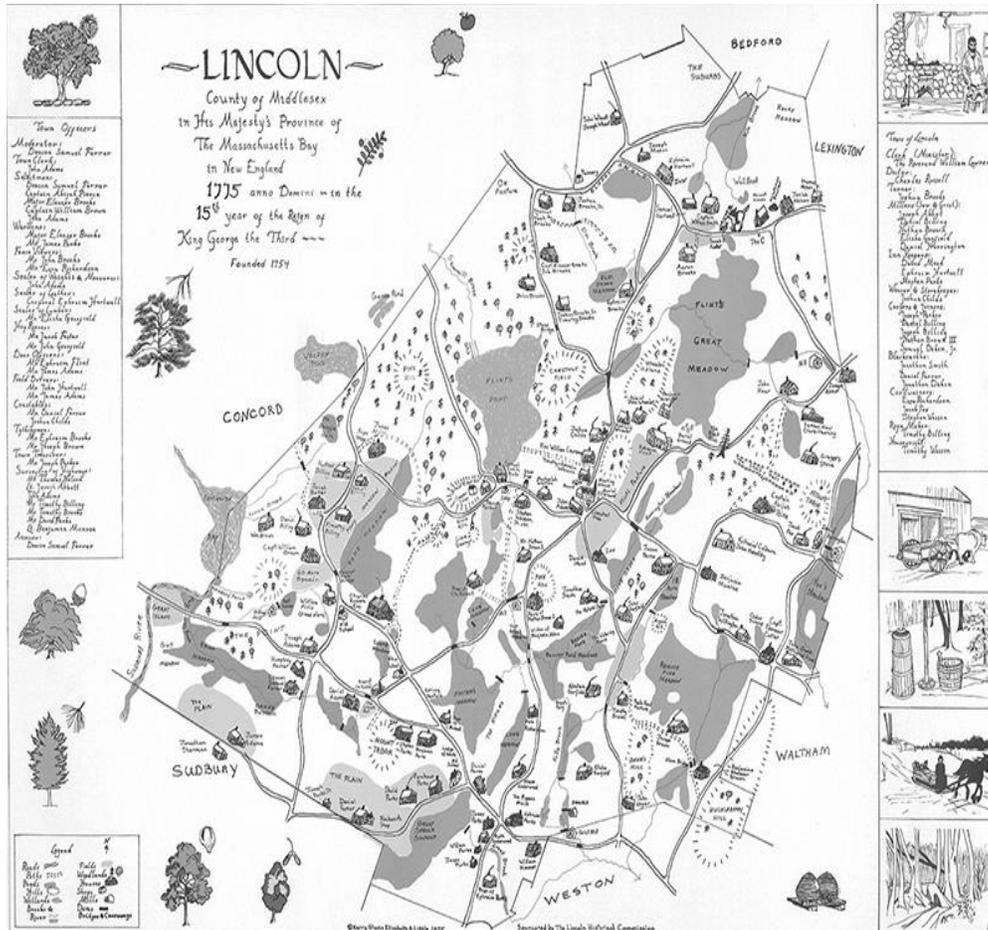


**FINANCIAL SECTION AND WARRANT
FOR
THE 2025 ANNUAL TOWN MEETING
LINCOLN, MASSACHUSETTS**



**SATURDAY, MARCH 29, 2025
9:30 AM**

DONALDSON AUDITORIUM

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



TOWN OF LINCOLN
MIDDLESEX COUNTY MASSACHUSETTS

TOWN OFFICES
16 Lincoln Road
Lincoln, MA 01773
Phone: 781-259-2600
Fax: 781-259-8735

Sarah Cannon Holden
Town Moderator

To all Lincoln Residents and Registered Voters,

2025 ANNUAL TOWN MEETING OVERVIEW.

The Annual Town Meeting is on Saturday, March 29th in the DONALDSON AUDITORIUM at the Lincoln Schools. Doors open at 8:30 am. We ask that you arrive early so we have a quorum, and I can call the meeting to order promptly at 9:30. This Warrant Booklet contains the important background materials for the Warrant Articles to be considered at Town Meeting. **Please READ IT CAREFULLY.**

AND – BRING THE BOOKLET and ENCLOSURES WITH YOU TO TOWN MEETING.

After addressing some preliminary matters we will get right into the meeting. Please refer to the Articles on the following pages.

Articles 3 and 4. We will test out CLICKERS first and then vote on the proposal to have them available, particularly when the moderator determines that the vote will be close.

Articles 5 through 20. The Select Board has placed these non-controversial articles on the CONSENT CALENDAR with the hope that they may be taken up as a whole with one vote unless something is held out. If something is held out it will be voted on separately.

- Article 21. Consideration of the 250th Celebration Activities
- Article 22. The Operating Budget – please refer to Table 1 in this Booklet.
- Article 23. Capital Expenditures – a detailed list will be in the Motion.
- Article 24. Community Preservation Fund – a detailed list will be in the Motion.
- Articles 25-27. Other Financial Articles and Bright Light Award
- Article 28. Free Cash. Annual Article to Balance Budget/Reduce Tax Rate
- Article 29. Water Department
- Article 30. Town Meeting Study Committee Report
- Article 31-33. Bylaw Amendments. Accessory Dwelling Units; Flood Plains
- Article 34. Related to Veterans Benefits
- Article 35. Citizen Petitions if there are any

PRE-MEETING INFORMATION. In the days leading up to Town Meeting the Town Boards and Committees will be given the opportunity to offer background information on the Warrant Articles they have sponsored. These meetings/presentations will be posted on the Town web site (lincolntown.org) “2025 Annual Town Meeting Lincoln, MA” and we hope this process will answer voters’ questions and cut down time for presentations at Town Meeting.

GENERAL COMMENTS. All registered voters are encouraged to attend this meeting, a unique New England experience of direct democracy. There have been many meetings and discussions leading up to our Annual Town Meeting. It is your chance now to participate in the final stage of the legislative process. Your voice and your vote are essential parts of the process. It is a time, also, to be in community with others. If this is your first Town Meeting, come to listen, to participate, to learn and to vote. We hope that you will find a way to volunteer on a Town Board or Committee. The Town governance depends on volunteers.

BALLOT ELECTIONS – Monday, March 31st – Reed Gym – There are contested elections.

Efficiency is not a hallmark of democracy but together we can do our best.

Voice Of The Electorate

Note: If you are not a registered voter you are welcome to attend but you may not vote.

An Outline of Town Meeting Procedures

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

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

Warrant Articles and Motions

The Warrant is the official notice of the actions and their sponsors to come before Town Meeting. The Motion made at Town Meeting must reflect the essence or be within the “scope” of the Article printed here.

Example: A warrant Article proposes the purchase of a police cruiser for \$50,000. It would not be within the scope of the Article for the Motion to be to purchase a police cruiser and a fire engine for \$150,000. The Moderator determines if a motion or an amendment to a motion meets the “scope” requirement.

Other than the Articles on the Consent Calendar (discussed below), the Articles in the Warrant will be taken up in order.

If there are two or more Articles which deal with the same or similar issues, sponsors of the Articles will often ask to make some general comments about all the related Articles before presenting the individual Motions under each one.

If the sponsor of an Article decides not to go forward with it, there will be a motion to “pass over” the Article. This requires a majority vote.

At the Meeting, please pick up the “salmon-colored sheet” which lists the proposed Motions to be made under each of the Articles. When the Article is called for presentation, the sponsor will make the Motion “as printed on the “Salmon Colored Sheet.” If there are any changes or refinements to the printed Motion, these will be noted. Once the motion is seconded, the sponsor will speak.

Before an Article is open for general discussion and debate from the floor, other Town Boards may wish to speak.

To Ask a Question or Make a Comment:

Please go to one of the standing microphones. When called upon please give your name before making your comment. Please keep your comments to no more than two minutes.

If you are not a resident, you need to request permission of the Moderator to speak.

Voting

Most motions at Town Meeting require a simple majority vote.

By statute or Town Bylaw, some motions require a 2/3 majority vote, for example:

Motions to amend the Zoning Bylaws, Votes to approve bonds or other types of funding mechanisms

Registered voters will receive a voting card when checking in for the meeting.

Voting is done first by voice vote, aided by the voting card.

If the Moderator is uncertain of the outcome, she will call for a standing vote.

If the vote is still unclear, there will be a count take by tellers appointed by the Moderator.

The Moderator’s determination of the results is final, unless seven voters stand and challenge the determination, in which event a count will be made.

Amendments to the Motions – simple majority vote required

Amendments to a Motion may be made if they fall within the scope of the Article, as discussed above.

If someone wishes to make an amendment, they should write it down on an amendment form that can be found on the tables in the center of the Auditorium. When ready, go to a microphone. It is not necessary to have a carefully worded amendment in advance; the Moderator and Town Counsel can help.

A proposed amendment must be seconded before it is open to discussion.

After discussion, the Meeting first votes on the Amendment. If the Amendment is approved, the Meeting then discusses and votes on the Main Motion as amended. Amendments to an amendment can also be made following the same procedure.

Calling the Question – 2/3 majority vote required

After a full airing of questions and concerns someone may rise to “Call the Question.”

The speaker may not make a statement or ask a question before calling the question.

All debate stops and a vote will be taken on whether to cut off debate and vote on the Article.

If passed, debate ends and a vote on the Main Motion is taken.

Procedures for Voting on the Budget – simple majority vote required

The Budget (See [Table 1: Fiscal Detail FY24 – FY26](#), page 49), as printed in this booklet, is presented by the Finance Committee.

Following the presentation, the Moderator will go through the Budget line by line and ask if anyone wishes to “hold out” any line item for further discussion or amendment.

To hold a budget item out, raise your hand and identify the budget line item number of concern.

The rest of the Budget (excluding the items held out) will be voted on without further discussion.

The Meeting will then turn to discuss items held out and take separate votes. The Moderator will typically return to the person holding out each item to begin the discussion.

Consent Calendar – simple majority vote required

Pursuant to the Town’s Bylaws, the Moderator may designate certain Articles to be placed on the Consent Calendar.

These items are considered routine, non-controversial, and not expected to generate discussion or opposition. Only items requiring a simple majority may be on the Consent Calendar.

The Motions to be made under each Article are listed on the green Consent Calendar which is included in this mailing.

When the Meeting reaches the first of these Articles, the entire Consent Calendar will be considered. The Moderator will read the list of Articles to determine if anyone wants to hold one out. Any individual voter may do so by calling out the Article to be held out, in which event it will be taken up in the normal manner in its regular sequence on the Warrant.

The remaining Motions will be adopted with a single vote. This procedure expedites the conduct of the business of the Meeting.

Participation.

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

REPORT
of the
FINANCE COMMITTEE
of the
TOWN OF LINCOLN
for the
FISCAL YEAR
JULY 1, 2025 - JUNE 30, 2026

LINCOLN FINANCE COMMITTEE

Merrill Berkery

Paul Blanchfield, Chair

Fuat Koro

Nancy Marshall

Andrew Payne, Vice Chair

Rich Rosenbaum

Ellen Meyer Shorb

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1. Introduction

The Finance Committee is charged with advising and making recommendations to Town Meeting on the budget, capital projects, and other financial areas, as well as administering the Town's Reserve Fund. The Committee seeks to develop a budget that is fiscally prudent, reflects the Town's values, is broadly understood, and meets the needs of and is supported by residents.

In this report, we describe the FY26 budget and its components. The Finance Committee works with many boards and committees to develop a budget and we would like to thank, among many others, Lincoln Town Administrator Tim Higgins; Finance Director & Town Accountant Colleen Wilkins; Lincoln Public Schools Administrator for Business and Finance Angela Wang; Lincoln-Sudbury Regional High School Director of Finance & Operations Kirsteen Patterson; Library Director Melissa Roderick; and Capital Planning Committee Chair Audrey Kalmus.

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

2. Overview

For FY26, the Finance Committee is recommending a base budget of \$49,164,894 (Warrant Article 22 inclusive of the Water Department) which includes \$4,737,669 in debt service for the school building project approved by residents in December 2018 and \$335,113 in debt service for the community center building project approved by residents in March 2024.

After a review of available funds, revenue projections, the Town's financial obligations including fixed costs (e.g., pensions, insurance debt service), and the general economic situation, the Finance Committee established a budget guideline of +2.5% compared to the FY25 budget as passed at Town Meeting in March 2024, excluding any FY25 one-time preferred items. While inflation rates vary year-to-year (+2.9% as of December 2024), this guidance generally allows the Town to maintain existing services, despite increases in underlying costs (e.g., wages/salaries, health insurance, service contracts, maintenance expenses).

In addition, the Committee recommends funding several items in excess of guidance, including:

- Town Government: An additional \$44,577 to maintain or restore "level services" in general government, public works, and human services including: Registrar of Voters software maintenance, Conservation and Planning Commission personnel step increases and operating expenses, Cemetery software maintenance, and Council on Aging expenses previously funded by ARPA.

- Town Government: An additional \$196,706 in preferred items in Planning Board, Town Report Funding, Police, and Veterans, including: the hiring of a part-time administrative assistant to support the Planning Board; additional expenses associated with Town Report creation and production; the hiring of an additional police officer to offset the increased workload on the existing force; and an increase in Veterans funding to better align with recent expenditures.

- Capital: An additional \$464,594 recommended by the Capital Planning Committee for: hook truck dump body replacement, paving hot box, drainage work on Trapelo Road, a brush truck, and the purchase of two sewer ejection pumps for the Hartwell complex.

For additional details, see the respective sections of this report.

The Town's financial position continues to benefit from strong cooperation from town employees in contract negotiations, conservative budgeting, and as a result, for the twentieth year in a row, the operating budget can be funded without an override. In addition, the Town's strong financial position and cash reserves enable the Finance Committee to recommend \$902,000 (~2% of the General Fund) in tax relief via the utilization of existing Free Cash to fund Debt Service costs associated with the School and Community Center.

For FY26, the property taxes on the median value house (FY25 assessed value of \$1,456,600) are expected to increase by \$159 (0.85%) with the proposed budget, even with the first interest payment on the Community Center debt expected in FY26. This assumes the application of CPA funds to the payment of Town Offices debt (included in Warrant Article 24). Note that individual property owners who have undertaken construction or made improvements to their properties may see an additional increase in their taxes.

The Town budget is based on projections and assumptions which reflect local needs and available funds. The budget is heavily dependent on real estate taxes (i.e., tax levy and excluded debt). For FY26, real estate taxes are projected to account for about 73% of revenue, lower than prior years given the proposed use of Free Cash for tax relief. The Town has few commercial properties and limited opportunities to increase local revenues. Although the FY26 state budget is not yet finalized, the Town's FY26 budget assumes that net state aid will be \$2,817,615 up 3.9% from FY25.

All departments and committees were cognizant of Lincoln's relatively high tax burden, and the need for compliance with the budget guideline, especially given the pending Community Center Building Project bonding and associated tax impact.

In addition to the operating budget (Warrant Article 22) and the cash capital budget (Warrant Article 23), Town Meeting will consider maintenance articles (Warrant Articles 9 and 10) and other appropriations.

Consistent with past years, the Finance Committee believes that the Town should make an ongoing commitment to address its liability for retiree health care benefits and is recommending contributions to fund these liabilities (Warrant Articles 11 and 12). These contributions have been included in our determination of funds available for the operating and capital budgets.

The Finance Committee places a high priority on maintaining adequate Emergency Reserves. Emergency Reserves allow unforeseen changes in revenues or needed expenditures to be addressed without undue disruption of ongoing activities and helps ensure the Town retains its AAA bond rating, which is especially important leading up to Community Center Bonding later

in 2025. The Finance Committee recently adopted the following updated Reserves policy in November 2024:

- **Reserve Fund:** Set aside at least 1.3 percent of the prior fiscal year’s total funds available for “extraordinary or unforeseen” expenditures.
- **Stabilization Fund:** Maintain a Stabilization Fund balance between 5 and 10 percent of the prior fiscal year’s total funds available. The Committee may exceed 10 percent in Stabilization leading up to anticipated large capital projects and fall below 5 percent when funding current capital projects.
- **Free Cash:** Maintain a certified Free Cash balance between 10 and 15 percent of the prior fiscal year’s total funds available. The Committee may exceed 15 percent in Free Cash leading up to anticipated large capital projects. Note that managing to this target will require management and oversight of unexpended Free Cash from prior years (5-10 percent) as well as actual receipts relative to revenue estimates and unspent departmental budgets (5-10 percent).
- **Combined Reserves:** Maintain total Fund Balance, which includes the combined Reserve Fund, Stabilization, and Free Cash balances, between 15 and 20 percent of the prior fiscal year’s total funds available. 15 percent is considered the lower end to maintain financial metrics consistent with strong credit worthiness as determined by rating agencies. Note that due to ongoing prudent financial management, commitment to maintenance of adequate reserves and existing policies, the Town currently carries a AAA rating from S&P (the best possible rating), which the Finance Committee seeks to maintain as it enhances the Town’s financial flexibility and allows borrowing at the lowest possible interest rates.

Accumulating reserves beyond the 20 percent level risks ‘taxation inequity’ where residents of past years bear the burden of future expenses and capital projects. Absent a specific, anticipated, near-term large capital project(s), the Finance Committee should consider leveraging reserves in excess of 20 percent to provide tax relief by recommending (a) using some available cash to service debt, (b) a budget below the levy-limit, and/or (c) any other mechanism available to the Finance Committee.

When recommending these mechanisms, the Finance Committee should be mindful of tax “smoothing” and avoid scenarios that result in steep year-over-year tax increases.

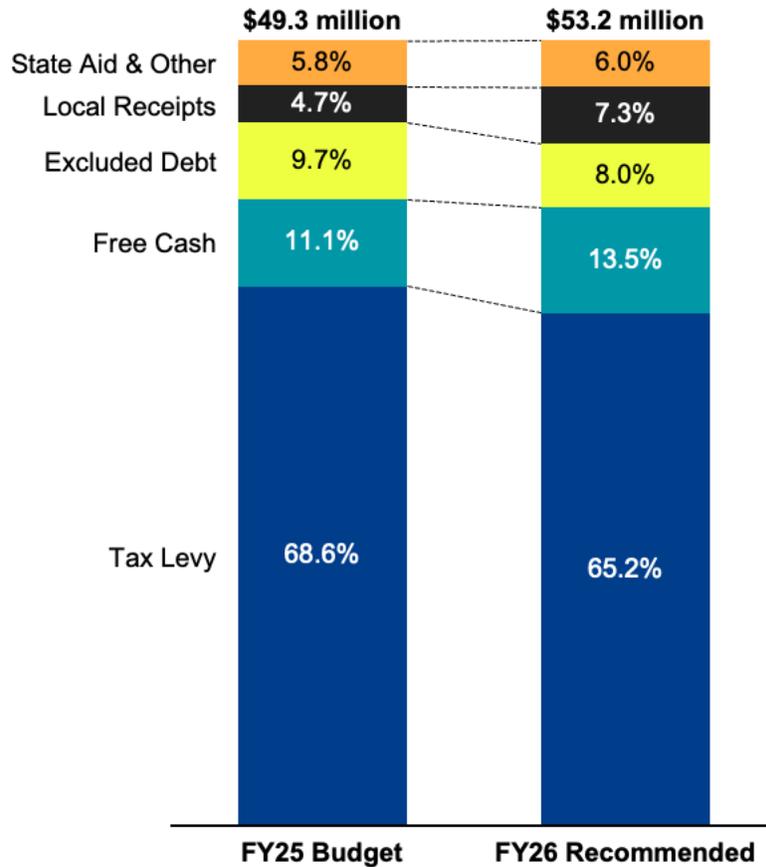
The Finance Committee should periodically review this policy, especially when there is a change to the methodology used to assign credit ratings.

3. Revenues

Total Town revenues for FY26 are projected at \$53,215,428 (excluding Water Department revenues), a 7.9% increase compared to FY25. Revenue from net state aid is projected to increase slightly (+3.9%) from the initial FY25 projection. Local Receipts are projected to increase by 67.4% as assumptions have been updated to better reflect recent historical trends. The chart below

shows revenue categories and the percentages of total revenue that they represent for FY26 as well as the FY25 Budget for comparison.

FY25-26 Revenues by Category



Proposition 2½ allows towns to raise the real estate tax levy by 2.5% per year without an override. The tax levy may also increase (beyond 2.5%) because of taxes attributable to new construction. For FY26, real estate taxes are projected to account for about 65% of revenue. Compared to FY25, real estate tax revenues are projected to increase by \$877,108 or 2.59%. This projection assumes CPA funds are used to service town office debt, an increase of the Tax Levy within the Proposition 2½ limit, and a lower amount of new construction relative to prior years.

Additional property tax revenues may be raised through debt exclusion, following approval by a two-thirds vote at Town Meeting and a majority vote at the Town Election. Excluded debt includes property tax revenues that pay for such Town debt (e.g., School Building Project, Community Center Building Project)) 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 FY26, excluded debt (from prior-year votes) is projected to represent 8.0% of revenues, down from 9.7% in FY25 as Free Cash is being used to fund \$902,000 of excluded debt as a means to provide tax relief to residents.

The application of Free Cash is projected to provide 13.5% of FY26 revenue. In October 2024, the Department of Revenue certified Free Cash for the Town from FY24 at \$13,307,151, which includes \$5,044,439 of Free Cash carried over from FY25 to FY26. This represented a 26% increase from the amount certified in October 2023. The FY26 budget targets Free Cash as part of Emergency Reserves at year-end of \$6,118,000. Free Cash and Stabilization (\$4,955,762 at fiscal year-end) are the major component of the Town's Emergency Reserves.

Major contributors to the FY24 Free Cash Certified balance were: (1) a turn back from the Lincoln Schools and savings in health insurance, (2) receipts in excess of budget, such as for motor vehicle excise and licenses and permits, and (3) turnback from the Finance Committee's Reserve Fund.

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 7.3% of revenue in FY26, up from 5.2% in FY25 as the Finance Committee seeks to improve forecast accuracy by more closely matching budgeted to recent actuals.

Net State aid, which includes Chapter 70 (education reform) funds, lottery, and other assistance, is projected to provide 5.3% of revenue in FY26, compared to 5.2% in FY25. Actual state aid is not yet known, as the state budget is determined after the Town budget, but it is projected to increase 3.9% relative to FY25 to \$2,817,615. If the actual amount is greater than budgeted, the difference will accrue to Free Cash. If the amount were to be lower than budgeted, the Town would first look to available Free Cash to make-up the difference.

Other available funds, which are projected to provide 0.7% of revenue in FY26, include miscellaneous items, such as payments from the Water Department and Hanscom Air Force Base for certain services provided by the Town. In general, the amounts received are offset by corresponding debits.

ARPA Funding

The Town received a total of \$2,108,000 in funding under the American Rescue Plan Act of 2021 (ARPA). Our ARPA spending priorities were determined by a Select Board appointed ARPA working group comprised of representatives of key stakeholder groups. Our ARPA funds were targeted primarily at Water infrastructure improvements (\$1.4 million or 68.5% of total funding), school-related investments (\$130,353 or 6.2%); social services related programs and support (\$161,728 or 7.7%); hiring a consultant to help the Select Board and Town Administrator develop an Inclusion, Diversity, Equity & Anti-racism (IDEA) action plan (\$100,000 or 4.7%); and several miscellaneous other investments.

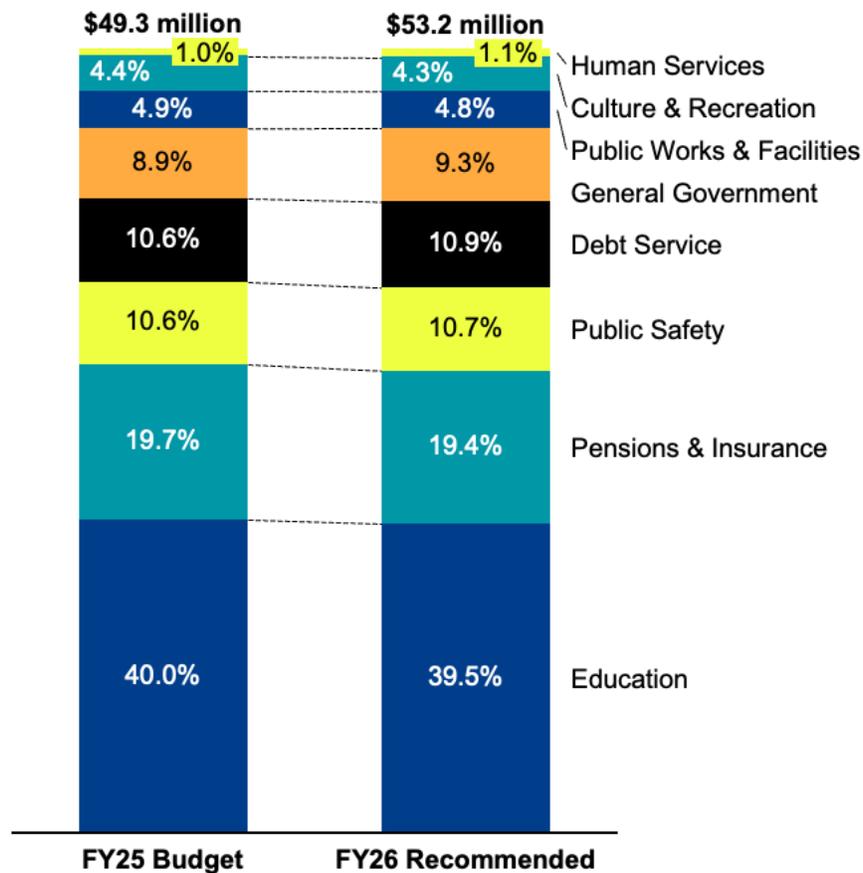
According to ARPA regulations, the funds must be fully expended by December 31, 2024 with the exception of amounts allocated for infrastructure improvements, which must be fully expended by December 30, 2026. As of this writing, \$1.6 million has been expended from the ARPA fund, with \$500K remaining to be expended on water infrastructure.

4. Operating Expenditures

Total Town operating expenditures consist of both the General Fund and the Water Enterprise Fund. The Water Department’s operating budget (\$2,181,102 for FY26) is funded entirely through fees paid by water consumers. The General Fund budget includes all other operating expenditures. The proposed FY26 budget is \$49,164,894 (Article 22 inclusive of the Water Department). The General Fund total is \$46,983,792 exclusive of capital items and other articles.

The following chart shows the breakdown of expenditures by category (excluding Water Department expenditures). Education is the largest component, representing 40% of General Fund expenditures. This includes the Lincoln Public Schools (LPS), Lincoln-Sudbury Regional High School (LSRHS) and expenditures for vocational technical high school students. For high school expenditures, the education component includes all costs to Lincoln, including debt service, pensions and insurance. For the LPS, debt service, pensions and insurance are *not* included in the education component; they are part of the Town expenditures for these items.

FY25-26 Expenses by Category



The growth in the appropriated budget for LPS, exclusive of pensions and insurance, is 2.5%. For more information, please see page 21. The budget for LSRHS is shared between Lincoln and

Sudbury; it reflects a two-part formula that incorporates relative wealth between the two towns and a three-year rolling average of the number of students enrolled from each town. The FY25 ratios are 12.7% Lincoln and 87.3% Sudbury, nearly unchanged from FY24. While Lincoln’s portion of the high school’s operating budget is based on the budget presented by LSRHS to the Finance Committee, Lincoln’s assessment may be less than the recommended appropriation or less than the budget guideline due to factors discussed below (see the “LSRHS” section below). Any excess appropriation amounts for LSRHS are added to the Town’s Stabilization Fund.

The proposed General Government budget for FY26 is up 10% from FY25. The growth in the Public Safety budget is 4.9%. Pensions and Insurance expenditures for FY26 are projected at \$9,107,665, a 2.5% increase over FY25. Pensions and Insurance represent approximately 17.1% of General Fund expenditures.

Debt service for FY26, excluding debt service for LSRHS and after application of the proposed CPC offset, is \$5,097,782, up slightly from prior years due to the addition of the first interest payment on the Community Center Building Project debt expected in FY26. About 87% of the Town’s debt service is for the school building debt.

The categories of operating expenditures are covered in more detail in the departmental budget sections of this report. A P&L-based presentation of Revenues and Expenditures for FY26 compared to FY25 follows:

Town of Lincoln				
FY2026 Proposed Budget				
	FY2025	FY2026	\$ change	% change
REVENUE				
TAX LEVY	33,809,558	34,686,666	877,108	
EXCLUDED DEBT	4,802,479	4,238,217	(564,262)	
LOCAL RECEIPTS	2,334,569	3,908,379	1,573,810	
STATE AID	2,712,957	2,817,615	104,658	
OTHER AVAILABLE FUNDS	166,626	375,400	208,774	
FREE CASH	5,483,561	7,189,151	1,705,590	
TOTAL REVENUE	49,309,750	53,215,428	3,905,678	7.9%
EXPENDITURES				
GENERAL GOVERNMENT	3,992,724	4,390,713	397,989	
PUBLIC SAFETY	4,795,954	5,021,190	225,236	
EDUCATION				
<i>Lincoln K-8 School</i>	13,490,352	13,827,611	337,259	
<i>Lincoln Sudbury High School</i>	4,421,436	4,634,079	212,643	
<i>Vocational School Assessment(s)</i>	105,500	108,138	2,638	
PUBLIC WORKS & FACILITIES	2,207,464	2,243,192	35,728	
HUMAN SERVICES	434,226	514,048	79,822	
CULTURE & RECREATION	1,986,677	2,039,374	52,697	
DEBT SERVICE	4,760,669	5,097,782	337,113	
PENSIONS & INSURANCE	8,888,389	9,107,665	219,276	
CAPITAL PLAN	1,296,841	1,283,744	(13,097)	
STABILIZATION FUND	-	4,070,000	4,070,000	
WARRANT ARTICLES	2,929,518	877,892	(2,051,626)	
TOTAL EXPENDITURES	49,309,750	53,215,428	3,905,678	7.9%

5. Capital Expenditures

The Capital Committee (CapCom) and the Finance Committee work collaboratively to enhance the Town's capacity to identify, prioritize, and understand the financial implications of capital projects and land acquisitions. CapCom reviews all requests for equipment and facility and infrastructure construction or improvements with a life of 5 years or more and a value of at least \$10,000. It also reviews maintenance warrant articles.

During the past year, CapCom continued to take a long-term view of the Town's capital needs and as such, updated its 5-year capital plan. CapCom and the Finance Committee strongly believe that timely maintenance, combined with a comprehensive understanding of the Town's assets, is the best way to protect the Town's investment in capital infrastructure. All proposed capital expenditures are assessed to determine whether they might qualify for funding under the Community Preservation Act. Appropriate requests are referred for review to the Community Preservation Committee.

For FY26, the Finance Committee set budget guidelines of \$538,098 for capital expenditures and \$280,646 for the annual maintenance warrant articles, representing a 2.5% increase from the prior year budget guidance.

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, with voter approval of a debt exclusion, allows the Town to finance the purchase and spread the cost of capital items over several years, outside of the limitations of Proposition 2½.

The Capital Committee suggested the following disposition for FY26:

Recommended funding for cash capital:	\$1,052,708
Recommended funding for maintenance:	\$230,630

These recommendations represented a preferred budget and were in excess of initial guidelines by \$464,594. Variations from guidance often occur, as capital projects are lumpy by nature. The preferred items recommended by CapCom are \$37,000 for a hook truck dump body for the Department of Public Works, \$30,000 for a paving hot box, \$180,000 for Trapelo Road drainage for the Department of Public Works, \$198,334 for a brush truck for the Fire Department, and \$40,000 for two sewer ejection pumps for the Lincoln Public Schools campus.

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

Warrant Articles

Article 23	Cash Capital Expenditures	\$1,052,708
	Compact Utility Tractor w/ Attachments	\$57,154

	Bobcat Work Machine / Tractor	\$88,000
	Hook Truck Dump Body	\$37,000
	Paving Hot Box	\$30,000
	Trapelo Road Drainage	\$180,000
	Brush Truck	\$198,334
	End User Hardware Upgrades	\$45,000
	CJIS Network Separation	\$75,000
	Hartwell Building Network Cabling and PA Replacement	\$49,280
	Hartwell MiniSplit Upgrade and Expansion	\$50,000
	Two sewer ejection pumps	\$40,000
	Replacement of PRD/DPW F350 Pick Up Truck	\$75,000
	Replacement of Marked Cruiser #5	\$70,812
	Replacement of hybrid unmarked cruiser	\$47,888
	Finance Department File Cabinet System	\$9,240
Article 9	Town Buildings Maintenance	\$165,430
Article 10	Library Building Maintenance	\$65,200

6. Community Preservation Act

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

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

FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
34%	33%	34%	65%	40%	39%	25%	22%	22%	32%	38%	52%	58%	51%	28%

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

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

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

“banked” and spent in subsequent years.

For fiscal periods 2003 through 2025, the CPC has recommended, and the Town has approved, funding for the following projects:

Town of Lincoln
CPA Appropriations & Project Status

Category	Appropriation	Paid to Date	Balance	Status of Project
75 Tower Rd Renovation	150,000	150,000	-	Complete
Admin Expenses	59,000	55,375	3,625	In progress
Arborvitae Cemetery	50,000	50,000	-	Complete
Battle Rd Farm Unit	150,000	150,000	-	Complete
Bemis Hall Repairs	639,985	533,150	106,835	Complete
Bemis Hall Basement Reconstruction	290,000	107,946	182,054	Complete
Borrowing costs	63,111	63,111	-	Complete
Codman & Ballfield Rd- Athletic Fields Irrigation	400,000	343,905	56,095	In progress
Codman Barn A restoration	112,000	112,000	-	Complete
Codman Barn Repairs	111,500	71,672	39,828	In progress
Codman Farm C Barn -Sprinkler System	400,000	-	400,000	In progress
Codman Farm Hay Barn structural study	5,000	5,000	-	Complete
Codman Farm Main Barn electrical work	15,000	15,000	-	Complete
Codman Farm Parking Lot & Driveway Improvements	329,950	329,950	-	Complete
Codman Pool Chemistry Controller	42,500	42,500	-	Complete
Codman Pool Cover	27,488	-	27,488	In progress
Codman Tot Pool Renovation	182,000	151,475	30,525	Complete
Community Housing Rental Assistance Prog	367,113	243,262	123,851	In progress
Conservation Stonewall Restoration	20,000	20,000	-	Complete
Conservation Improved Trailhead & Wayfinding Signage	7,266	-	7,266	In progress
Construction of archival vault at the Library	489,097	489,097	-	Complete
Control invasive species on conservation land	51,280	51,280	-	Complete
Debt Service on Town Office Renovation	4,471,771	4,184,311	287,460	In progress
Flint Homestead Survey	8,000	7,860	140	Complete
Fund debt service on borrowing for CPC project	2,088,116	1,984,436	103,680	In progress
Funding of Affordable Housing Trust	4,717,829	4,717,829	-	Complete
Funding of Conservation Fund	487,359	487,359	-	Complete
FY15 FoMA area studies	6,000	6,000	-	Complete
Historic Commission- Friends of Minuteman National Park Archeology	150,000	-	150,000	In progress
Historic Properties Inventory	75,250	70,050	5,200	Complete
Historic records archive and preservation	411,453	366,068	45,385	In progress
Historic Town buildings needs assessment	25,000	25,000	-	Complete
Housing Consolidated Plan	20,230	17,230	3,000	In progress
Housing Commission -Affordable Housing Unit Repairs	245,500	147,988	97,512	In progress
Land Acquisition	2,425,000	2,425,000	-	Complete
<i>Harrington Row property</i>	<i>350,000</i>			
<i>Booth property</i>	<i>250,000</i>			
<i>MacDowell property</i>	<i>400,000</i>			
<i>DeNormandie property (Rt 2 parcel)</i>	<i>100,000</i>			
<i>Schmid Property</i>	<i>200,000</i>			
<i>Jerodel Property</i>	<i>100,000</i>			
<i>Hargreaves-Heald</i>	<i>225,000</i>			
<i>Wang Property</i>	<i>500,000</i>			
<i>Twin Pond Lane</i>	<i>200,000</i>			
<i>Conservatin restriction 241 & 247 Old Concord Road (returned funds-not needed)</i>	<i>100,000</i>			
LSRHS Softball Field	50,000	-	50,000	Not needed
Model historic preservation restriction easement	5,000	5,000	-	Complete
Multi-sport Court	146,000	146,000	-	Complete
Pierce House Repairs	527,976	411,977	115,999	In progress
Regional Housing Support Services	122,100	91,550	30,550	In progress
Rehabilitation of tennis courts	38,900	-	38,900	In progress
Recreation Tennis Courts Mesh Screen	1,200	-	1,200	In progress
Repairs & Improvements to Lincoln Library	1,382,201	1,349,775	32,426	In progress
Repairs to historic cemetery monument	42,300	42,300	-	Complete
To Reserves	3,035,021	3,015,051	19,970	In progress
School Playgrounds	161,200	161,200	-	In progress
Smith School Playground	50,000	50,000	-	Complete
Sunnyside Lane	792,500	792,500	-	Complete
Tot-lot at Codman Pool	50,000	45,191	4,810	Complete
Town Office Athletic Field-Drainage Study	26,800	25,000	1,800	Complete
Town Office Athletic Field-Drainage Improvements	310,000	309,997	3	Complete
Town Office Renovation	1,000,000	1,000,000	0	Complete
Town Office renovation feasibility study	135,000	135,000	-	Complete
Wayfinding Battle Road Byway	1,000	-	1,000	Complete
Wetland Trail and Observation Platform	137,355	114,543	22,812	In progress
Grand Total	27,108,352	25,118,938	1,989,414	

This table summarizes money raised and appropriations to date:

CPA Revenues and Expenditures														
Revenues	FY '03-12	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18	FY '19	FY '20	FY '21	FY '22	FY23	FY24	FY25*
Town Rev's‡	\$5,058,839	\$649,035	\$667,117	\$691,581	\$765,657	\$ 740,896	\$893,839	\$ 772,958	\$ 890,954	\$ 932,229	\$ 927,624	1,094,274	1,191,072	\$ 1,020,300
State Match	\$3,620,928	216,875	424,815	266,411	259,639	191,804	164,520	\$ 197,220	\$ 253,236	336,984	532,005	481,330	275,104	198,062
Total Revenues	\$ 8,679,767	\$ 865,910	\$ 1,091,932	\$ 957,992	\$ 1,025,296	\$ 932,700	\$ 1,058,359	\$ 970,178	\$ 1,144,190	\$ 1,269,213	\$ 1,459,629	\$ 1,575,604	\$ 1,466,176	\$ 1,218,362
Expenditures#														
Housing	\$ 1,496,000	\$ 90,000	\$ -	\$ 151,600	\$ -	\$ -	278,329	\$ -	\$ 30,000	\$ 30,100	\$ 60,920	112,861	248,919	627,650
Historic	\$ 1,528,406	629,250	558,051	564,364	491,255	533,607	434,680	\$ 509,711	\$ 18,123	\$ 517,881	\$ 363,648	1,083,779	385,616	933,637
Open Space	\$ 1,212,800	20,000	62,774	-	525,000	70,512	541,088	\$ -	\$ -	\$ 289,000			-	
Recreation	\$ 942,500	-	232,000	109,020	25,000	201,593	41,000	\$ 94,174	\$ 232,923	\$ 199,857	245,411	444,885	171,138	
Administrative	\$ 945,500	3,000	3,000	2,875	2,875	2,875	2,875	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	3,500	3,500	3,500
Total Approp's	\$ 6,125,206	\$ 742,250	\$ 855,825	\$ 827,859	\$ 1,044,130	\$ 808,587	\$ 1,297,972	\$ 513,211	\$ 145,796	\$ 1,073,404	\$ 627,925	\$ 1,445,551	\$ 1,082,920	\$ 1,735,925
*projected revenues- not yet certified														
‡ includes interest earned														
# actual amount spent is shown, where less than appropriation.														

At Town Meeting, the CPC anticipates recommending a total of \$1,402,016 of funding for the following projects:

Warrant Article 24

Proposal	Amount
Town Office Renovation -debt service	283,860
Housing Rental Assistance Program	97,356
Housing Support Services	42,000
Housing Trust Request for Funds	500,000
Archives - Flint Family Historical Records	28,000
Housing Commission - Green Appliance Upgrades to Housing Units	9,550
Housing Plan	50,000
Housing Exterior Painting & limited carpentry of 6 Public Units	40,000
Pierce House - Exterior Painting & Carpentry Repairs	115,000
Historical Commission - Survey of Significant Buildings for MHC	5,500
Recreation - Tennis Court Surface Reconstruction (courts 3&4)	102,700
Cemetery - Dallin Statue Restoration	25,000
Wang property and athletic field debt	99,550
Administrative Expenses	3,500
Total Requests	1,402,016

7. Other Post-Employment Benefits (OPEB) Liability

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

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

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

Beginning in FY18, GASB Statement No. 45 requirements were replaced by GASB Statement #75, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*, which most significantly obligates the Town to report its entire OPEB liability on its financial statements. The Town's OPEB liability was originally estimated at \$61.7 million in 2007. Although there is currently no federal or state requirement to fund this liability, due to its large size and the ultimate need to meet the Town's obligations, the Finance Committee and the Town have taken numerous steps to fund this liability and reduce its size.

The Town has since taken a number of actions to address and manage this liability including: establishing an OPEB trust fund; regularly making contributions to the fund; requiring qualifying retirees to join Medicare; providing health insurance through the Massachusetts Interlocal Insurance Association (MIIA) instead of self-insurance; reducing the cost of retiree prescription drug benefits by switching from Medex III to Medex II; increasing emergency room co-pays; appointing the Massachusetts Pension Reserves Investment Management Board as the fund manager of the Town's OPEB trust fund; and enacting a Finance Committee OPEB Policy in June 2015, subsequently revised in June 2017, December 2018, and March 2019 regarding trust fund contributions going forward.

The Finance Committee's March 2019 OPEB policy revision incorporated feedback from the Town's actuary, to consider how funding the OPEB liability interacts with the Town's state mandated assessments under its pension obligation, which are estimated to climb steadily until the pension plan is fully funded in 2037.

As a result, the Finance Committee amended our OPEB Policy to be less aggressive in its funding of the OPEB liability until the pension plan is fully funded, then to re-appropriate a portion of the "freed up" pension funding to OPEB until the OPEB liability is fully funded. This approach is

expected to smooth the combined required contributions by the Town over the coming decades, arguably resulting in a more even distribution of resident tax burden across the decades.

To date, the Town has chosen to pay the portion of the annual cost that represents the current-year benefits to retired employees as well as appropriating amounts into the Town’s OPEB trust fund to partially fund the liability. In recent years, the Finance Committee recommended, and the Town approved, the following OPEB contributions, with FY26 contributions reflecting +2.5% growth from FY25.

	OPEB Contribution
FY20	\$650,000
FY21	\$350,000
FY22	\$350,000
FY23	\$650,000
FY24	\$650,000
FY25	\$650,000
FY26	\$666,000*

* Recommended in this budget

In recent years, the Water Department has also included amounts in their budget (\$40,000 in FY25) to transfer to the Town’s OPEB trust fund to cover their portion of the liability. In addition, the Lincoln School Committee has made regular contributions to the fund (from the Town’s contract with DoDEA) to offset the liability for Hanscom school employees and retirees.

The balance in the OPEB trust fund is now \$20,935,976, a 13% increase from last year.

As a result of the above actions, as well as changes in actuarial assumptions, the Town’s estimated unfunded OPEB liability has declined from \$61.7 million in 2007, to \$28.5 million in 2023, and \$21.1 million as of the most recent valuation (measurement date of June 30, 2024). The decrease from the 2023 interim valuation is due to an increase in the discount rate assumption from 6.30% to 6.97% (to reflect GASB standards), lower than expected increases in Medicare Supplement plan premiums, better than expected investment returns, adjusted actuarial assumption changes surrounding healthcare cost trend rates, morbidity rates, and the passage of time (service cost, interest, and payments).

An actuarial valuation was completed in the fall of 2024.

payment due) and \$475 median tax bill impact from FY27 through FY55. Additional fundraising and / or a lower-than-expected project expense would lower the anticipated tax impact.

9. Looking Forward

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

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

Some indicators point to stable economic conditions. The assessed value of the median single family Lincoln home rose about 1.9% in FY25 to \$1,456,600. Town finances remain strong, and the Finance Committee is able to recommend an annual budget with no operating override for the twentieth year in a row.

However, the Committee remains cautious in committing Town resources, chiefly due to the significant tax burden on residents. In December 2018, residents voted for a School Building Project, the largest capital investment in the Town's history. At that meeting, residents approved \$88.5 million to be raised via bond issuance, \$4.4 million appropriated from the Stabilization Fund, and \$1.0 million appropriated from Free Cash. More recently, residents voted in March 2024 to approve a Community Center project, for a total amount of \$24.02 million with \$15.77 million to be bonded in November 2025, while \$4.75 million in funding comes from Stabilization, \$2.00 million from Free Cash, and \$1.50 million in grants and donations.

The Committee is focused on ensuring adequate reserves to address any unanticipated and emergency situations that may arise; offset borrowing needs for current or anticipated large capital projects; minimize variability in year-over-year tax bill changes, including as a result of potential capital projects; and maintain financial metrics consistent with strong credit worthiness (i.e., AAA) as determined by rating agencies, especially prior to bonding for the Community Center project.

At the same time, accumulating reserves beyond the 20 percent level risks 'taxation inequity' where residents of past years bear the burden of future expenses and capital projects. Absent a specific, anticipated, near-term large capital project(s), the Committee will consider leveraging reserves in excess of 20 percent to provide tax relief by recommending (a) using some available cash to service debt, (b) a budget below the levy-limit, and/or (c) any other mechanism available to the Committee.

Given this context, and as a matter of best practices, the Finance Committee will continue to act to preserve Lincoln's financial capacity and flexibility, while being mindful of the tax burden on residents.

For FY26, these actions include maintaining a conservative budget approach that supports efficient operations and does not require an override. In addition, contributing to the Town's OPEB trust is an important step to take in support of Lincoln's long term financial health, given its substantial post-employment benefit liabilities. Lincoln's early commitment to OPEB has yielded some strong market returns in several recent years and the Committee recommends a \$666,000 contribution in FY26.

The Committee also recommends the Reserve Fund be set to 1.75% (\$849,000) in FY26, above its customary policy of approximately 1.3% of the prior year's budget, due to the added uncertainties associated with Federal payments or reimbursements, age of the library boiler, and potential out-of-district placements for the Lincoln Public Schools. The Committee reconsiders this percentage annually based on risks and operating experience.

The Committee also recommends increasing stabilization by \$4,070,000 to a balance of \$4,965,000 or approximately 10% of the FY25 budget and \$6,118,000 to Free Cash to be available for future fiscal years. Finally, the Town's strong financial position and cash reserves enable the Finance Committee to recommend \$902,000 (2% of the General Fund) in tax relief via the utilization of existing Free Cash to fund Debt Service costs associated with the School and Community Center Building Projects. We are hopeful we will be able to lever our strong financial position to recommend additional tax relief in future years.

10. Departmental Budgets

General Government

FY24 Actual	FY25 Budget	FY26 Proposed
\$3,341,751	\$3,992,724	\$4,390,713

General Information

General Government includes: Town Moderator, Select Board, Diversity & Anti-racism, Finance Committee, Town Offices, Reserve Fund, Assessors, Law Department, Town Clerk, Town Archives, Registrar of Voters, Conservation Commission, Green Energy Committee, Planning Board, Agricultural Commission, Board of Appeals, Town Report, and Town Buildings. The largest account is Town Offices, which includes personnel and administrative and financial department expenses.

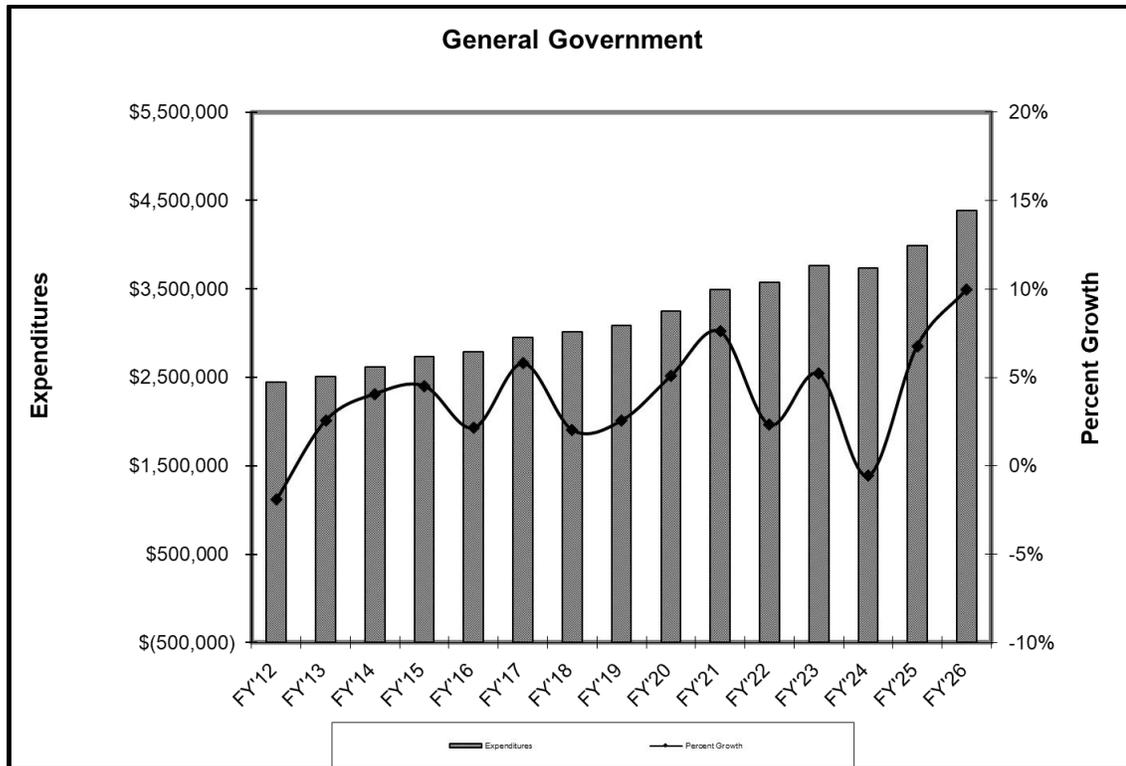
Key Issues

- The proposed General Government budget, exclusive of the Reserve Fund line item, is 4.6% higher than FY25, primarily due to preferred budget items for: (a) \$21,000 for software maintenance contracts, and restoration of expenses to maintain level services for the conservation and planning departments (b) \$32,500 for a part-time administrative assistant for the planning department, and (c) \$10,000 to bring the budget for printing and mailing more in line with actual expenditures.
- 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. The Finance Committee recommends the Reserve Fund be set to 1.75%, above its customary policy of approximately 1.3% of the prior year's budget, due to the added uncertainties associated with Federal payments or reimbursements, age of the library boiler, and potential out-of-district placements for the Lincoln Public Schools. The Committee reconsiders this percentage annually based on risks and operating experience.
- The Town's three labor agreements (Police, Fire & DPW) were renegotiated in 2024, with three-year contracts. Town budgets include a 2.5% cost of living adjustment for FY 26 based on the agreements.

Warrant Articles

- Article 7: Senior Tax Work-off Program Renew \$100,000
- Article 11: Transfer to Other Post Employment Benefits (OPEB) Fund \$666,000
- Article 12: Transfer to LSRHS OPEB Fund \$59,892
- Article 15: PEG Access Cable Revolving Fund -annual appropriation \$100,000
- Article 23 (Capital): Finance- File Cabinet System 9,000

- Article 23 (Capital): Information Technology- End User Hardware Upgrades \$45,000
- Article 23 (Capital): Information Technology- CJIS Network Separation \$75,000
- Article 24 (CPA): Town Office Renovation Debt Service \$283,860
- Article 24 (CPA): Town Archives – Flint Family Historical Records \$28,000
- Article 25: Stabilization Fund Transfer \$4,070,000
- Article 26: Bright Light Award \$500



Public Safety

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 4,555,671	\$ 4,795,954	\$ 5,021,190

General Information

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

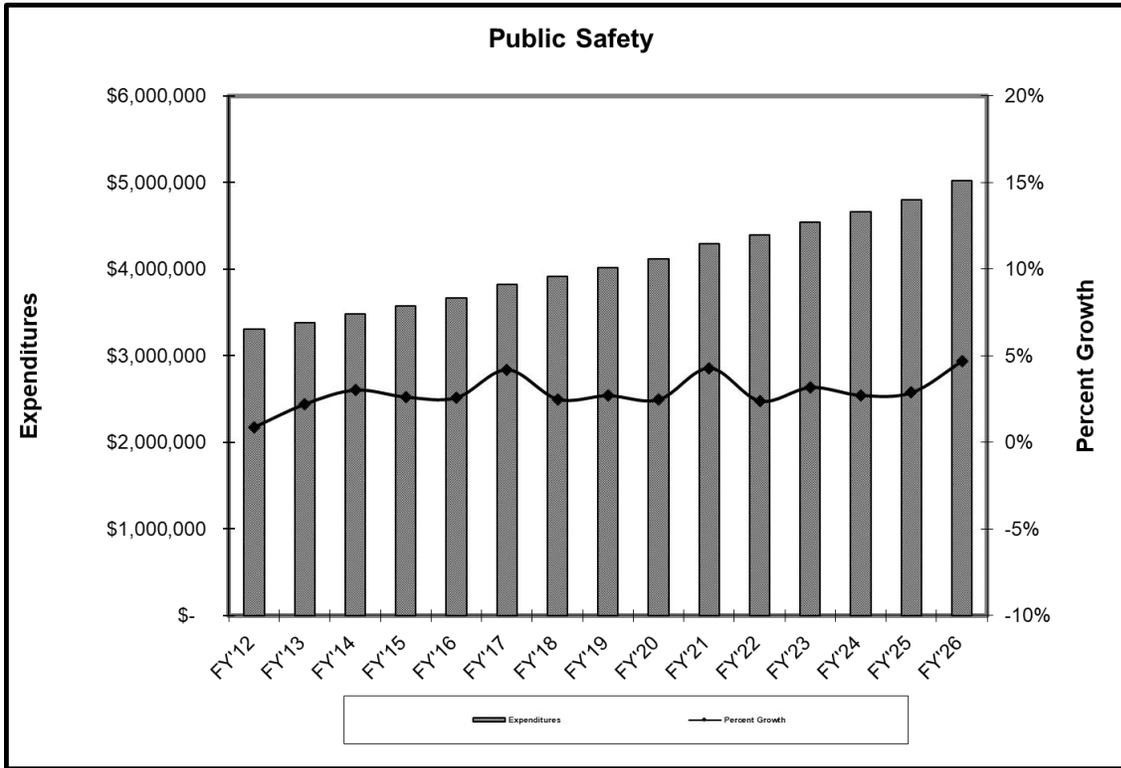
Key Issues

- The Public Safety segment of the proposed budget reflects a 4.7% increase, driven primarily by the addition of a new police officer position at an annual cost of \$104,000. This marks the first expansion of the police force in 25 years. The addition addresses operational challenges in shift coverage, as the current staffing model of two officers per shift requires overtime payments when an officer takes earned time off. The new position will provide greater flexibility in shift coverage, allowing officers to utilize their earned time while also partially offsetting overtime expenditures.

- The Town’s three labor agreements (Police, Fire & DPW) were renegotiated in 2024, with three-year contracts. Town budgets include a 2.5% cost of living adjustment for FY 26 based on the agreements.

Warrant Articles

- | | |
|---|-----------|
| ▪ Article 23 (Capital): Police- Replacement of Marked Cruiser | \$70,812 |
| ▪ Article 23 (Capital): Police- Replacement of Unmarked Cruiser | \$47,888 |
| ▪ Article 23 (Capital): Fire – Brush Truck | \$198,334 |



Lincoln Public Schools

FY 24 Actual	FY25 Approved	FY26 Proposed
\$12,504,306	\$13,490,352	\$13,827,611

General Information

The Lincoln Public Schools District serves students from Pre-School through Eighth Grade from three communities: Lincoln resident students, students who reside and attend school on Hanscom Air Force Base, and students who reside in Boston and attend the Lincoln School via the METCO Program. Additionally, many children of Lincoln town employees attend school on the Lincoln campus. The student population is diverse, with more than 40% of students identifying as students of color.

The Lincoln School budget is supported by ~89 percent appropriation of Town funds which includes state Chapter 70 and Student Opportunity Act funds and ~11 percent by several state and federal grant programs, user fees, and reimbursements. The Hanscom school budget is funded by a five-year contract with the U.S. Department of Defense Education Activity (DoDEA). The DoDEA contract benefits Lincoln School by facilitating cost sharing of the district’s central

administration and common special services with Hanscom. The DoDEA contract ends at the close of FY25 and the District will be applying for a new five-year contract to begin in FY26.

FY26 Budget Request for Lincoln Schools

Education is Lincoln’s largest on-going investment: ~40% of the Town’s overall operating budget is dedicated to running our public schools, including the Lincoln School and Lincoln’s share of Lincoln Sudbury Regional High School operating costs.

The Lincoln School Committee has approved a \$ \$13,871,111 operating budget request for FY26, including \$13,827,611 from the Town’s general fund appropriation, which is within the 2.5% increase guideline issued by the Finance Committee, and \$43,500 in federal Medicaid grants for separate appropriation by Town Meeting (Article 14). This budget assumes a continuation of existing educational models and class sizes and includes new services to address the needs of students post pandemic.

NOTE: The School Budget was written prior to completing negotiations on a three-year contract for Custodians and Administrative Assistants.

Personnel costs for faculty and staff continue to comprise ~75 percent of the District’s operating expenses and are set by contracts. The number of teachers and support staff on each campus is determined by enrollment, class size policy, and the individual needs of our students.

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

Key Issues:

Utility costs may differ from estimates for the all-electric Lincoln School building as the solar project has recently come online.

Special Education Out-of-District Expenses assumptions are based on currently known out-of-district tuition and transportation costs, which can change as students move into or out of the district and with student needs.

Warrant Articles

- Article 23 (Capital): Replace Hartwell Network Cabling and PA System \$49,280
- Article 23 (Capital): Upgrade Heat and AC units in Hartwell Conference rooms \$50,000
- Article 23 (Capital): Replace 2 Sewer Ejector Pumps at LPS \$40,000
- Article 14 Transfer Medicaid reimbursements into budget \$43,500

District Enrollment

Lincoln’s school budget is dependent on enrollment, student needs, and class size. As of October 1, 2024, the LPS total enrollment pre-K - 8 was 1,092 students. Included in these totals, the district has 26 students in out-of-district placements, 86 METCO students, and 13 employee children.

	PreK	K-4	5-8	Total
Lincoln	29	272	248	549
Hanscom	68	274	201	543
Total	97	546	449	1,092

Strategic Objectives

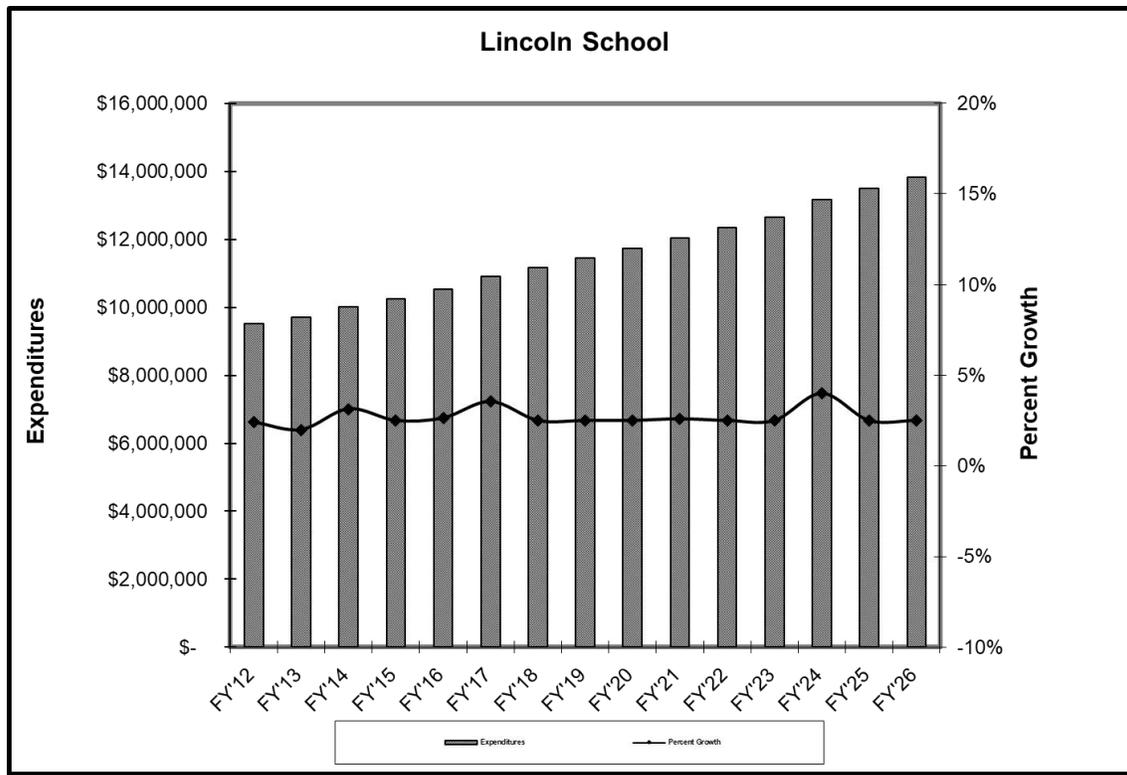
In alignment with the district’s new long-term strategic plan, there are three primary areas of focus for the [2024-25 District Improvement Plan](#). First, increasing the percent of students who read at grade level, while also preparing for the implementation of a new or substantially revised literacy curriculum for the following year. Second, reviewing our current social-emotional support systems and 6th - 8th academic intervention systems, with proposed improvements for the next school year. And finally, ensuring clear and consistent rules and responses around student discipline.

Lincoln School Solar Project Update

Acting on behalf of the Town, the School Committee entered into a power purchase agreement (PPA) and lease with a developer (TotalEnergies) in 2020 to construct and operate a photovoltaic (PV) system. The goal of the PPA is to provide electricity to power the all-electric Lincoln School building at a rate reduced from that charged by Eversource.

Eversource issued the Permission to Operate (PTO) document on October 23, 2024. This PTO completed the requirements for TotalEnergies’ SMART incentive and our Net Metering allocation reservations. The Massachusetts System of Assurance of Net Metering Eligibility acknowledged on November 11, 2024, that all other requirements have been met, confirming our net metering capacity. TotalEnergies left the system operating, providing us with free power while they finished charging the Tesla battery, performed their own extended operational testing and finalized the last amendments to the PPA. This provided power from the solar project to the Lincoln School at no cost to the District while we negotiated the final PPA and Lease terms.

The District applied for an Eversource incentive program which required a third-party Net-Zero Energy Post-Occupancy Verification review of Lincoln School energy usage during a one-year period. We contracted with SMMA, the project architect-engineer design firm, to conduct the review (an Eversource grant funded half the cost). The review period began on July 1, 2023 and ended June 30, 2024. After twelve months of monitoring, the overall annual energy usage was measured at 5.2% below the 100% CD modeled [estimated] annual energy use, achieving an EUI of 22.7 kBtu/SF/yr, outperforming the 23.9 EUI goal set by the School Building Committee, and compliant with the 25 EUI threshold of the Eversource Post Occupancy Verification Incentive Program. This is extraordinary, as the actual building use is greater than that modelled by SMMA during the design phase. In recognition of this accomplishment, Eversource has awarded the Town an incentive payment of \$128,974. The Town should also receive an incentive award from National Grid, in the amount of \$42,474. Added to the earlier incentive payments from 2022 and 2023, Eversource and National Grid have awarded the Town incentives totaling \$320,817. These funds have been or will be deposited into the Town’s General Fund.



Lincoln-Sudbury Regional High School

	FY24 Actual	FY25 Final Appropriation	FY26 Proposed***
Total Budget	\$37,095,789	\$38,357,107	\$39,506,909
Offsets *	\$4,420,394	\$4,601,855	\$4,859,564
Total Assessment	\$32,675,395	\$33,755,252	\$34,647,345
Lincoln Assessment **	\$4,137,697	\$4,391,928	4,453,369
Lincoln Appropriation	\$3,941,309	\$4,421,436	\$4,634,079

* Offsets include State and Other General Fund Revenues.

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

*** FY26 Total Budget, Offsets, Total Assessment, and Lincoln Assessment are current estimates and are subject to change, based partly on final Chapter 70 funding and the budget process and vote in Sudbury.

General Information

The proposed FY26 budget prioritizes the support of current staffing and programs, while meeting fixed and variable costs (municipal and operational) connected to regional schools. All current student programs are maintained and supported including the satellite program LS Academy, located at 144 North Road, and in-house Partners Autism Spectrum Disorder (ASD) program. The FY26 Budget also supports the LSRHS Portrait of a Graduate for all students.

Key financial assumptions in FY26 include:

- 11% increase in health insurance cost increases for both active and retirees;
- 12% increase in non-MTRS pension funding;
- 3.0% COLA plus growth in steps and lanes for the new teacher's contract which begins 2025-26;
- 8% increase for bus transportation contracts (regular and Special Education) over the prior contract year due to increased utilization and contractual rate increases;
- 17% increase in buildings and grounds for increased maintaining equipment, fuel costs, rubbish removal and contracted cleaning services in year 2 of new agreement.
- (4.78%) reduction in Debt Service as FY26 will be the last of the building bonding debt expense, while the anticipated roof project will likely bond in FY27.
- 27% increase in home-based services, ESY, LSA lease, Partners contract, district data analysis platform (Open Architects)

The budget also reflects the of the most recently negotiated 3-year collective bargaining agreement, FY26-FY28 as follows:

Fiscal Year	COLA Effective Day 1
JULY 1, 2025-JUNE 30, 2026	3.000%
JULY 1, 2026-JUNE 30, 2027	3.000%
JULY 1, 2027-JUNE 30, 2028	1.375%

Out-of-District tuition is currently expected to decrease 31% or \$1.16 million net of Circuit Breaker reimbursement from the state. The Total Other Post Employment Benefits (TOL) accrued liability was \$30,215,609 as of June 30, 2024. The actuarial study was a full evaluation year and identified significant improvements assuming a discount rate of 6.84% decreasing disclosed liability by approximately \$3.2 million. The District’s OPEB Trust Account balance: Net Asset Value of the Trust dated June 30, 2024 was \$4,803,573 with an expected rate of return of 6.97% based on market trends. The FY26 Budget continues to be responsive to the OPEB liability with level funding contributions to the trust totaling \$383,109.

The Lincoln appropriation encompasses operating expenses, including employee benefits, as well as debt service. The allocation of the required minimum contribution between Lincoln and Sudbury and the enrollment figures for FY26 are based on the Governor’s Budget Chapter 70 numbers as well as the Required Minimum Contribution Amounts as established by the Department of Elementary and Secondary Education (DESE). The Governor’s Budget is subject to affirmation by the State Legislature.

LSRHS total in-district enrollment for FY25 is 1,444 which includes METCO students and waivers per the October 1, 2024 final counts reported to DESE. The number of Lincoln students attending LSRHS was 171 in FY25 (October 1, 2024 enrollment report) and is projected to be 194 for FY26. Projections from a 5-yr cohort survival model indicate that the overall on-campus enrollment could fall as low as 1,360 by FY31. While enrollment is declining, staffing has remained relatively flat due to the unique course selection and offerings at the high school level. The FY26 budget has a net *reduction of 4.32 FTE* with a reclassification of teacher assistants being funded by the IDEA grant to provide more utilization of federal funds. The projected number of students in out-of-district educational placements is 48 students, reflecting a decrease of 12 between FY25 and FY26, resulting in a decrease in tuition but an increase in transportation costs.

Each town’s share of the annual payment obligation for LSRHS (assessment) consists of two pieces: the amount within the levy (operations) and the amount outside the levy (capital/debt). The amount within the levy is assessed in two parts. The first portion is a minimum contribution mandated by state law and determined by DESE. The allocation of this portion is determined by a number of factors including enrollment at LS relative to the total student population of each town,

and a property wealth formula established under state law and updated annually. The second portion is the amount of funding above the required minimum contribution, which is allocated based upon a three-year rolling average that measures each town's portion of students enrolled at the high school, as well as out-of-district special education and charter/school choice programs. The amount of the assessment outside the levy is typically dedicated to capital projects. These projects can be financed with debt or on a one-time basis. The amount of the assessment outside the levy is apportioned based on the same three-year rolling enrollment proportion.

Lincoln's share of the blended total (net) assessment for FY26 incorporating the two factors described above will increase slightly to 13.04%, still in line with Lincoln's historical range of apportioned share which has been 12-16% for the last 20+ years. Lincoln's required minimum contribution for FY26 has been identified in the Governor's preliminary budget release as \$2,198,712 a reduction of (\$14,529) in RMC from prior year. Lincoln's share of LSRHS funding above the minimum required contribution was 12.69% for FY25, up from 12.56%, reflecting again a very slight increase in the three-year rolling average of Lincoln students enrolled at LSRHS.

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

The LSRHS Regional Agreement requires that the LSRHS budget meet the lower of the town budgets approved by Lincoln or Sudbury. Both the Lincoln and Sudbury Finance Committees adopt annual budget guidelines that establish an allowable increase in spending for the upcoming year. The Lincoln guideline for FY26 is 2.5%, with an additional factor built in for accommodation of variances in the allocation for both towns. This guideline is applied to the LSRHS budget after first accounting for the cost of debt service, health and other insurances, and pension and OPEB contributions. At the time this report was written, Sudbury's FY26 guideline was set at a 3.0% increase over its FY25 budget, inclusive of pensions, insurance and OPEB. It is anticipated that Sudbury's guideline will again be more restrictive than Lincoln's.

It is possible that the full amount of funding for LSRHS that is available under the Lincoln Finance Committee's guideline will not be required for spending in FY26. The Finance Committee recommends that any allocation to LSRHS that is not required to fund its final budget assessment be transferred to Lincoln's Town Stabilization Fund to use for needs in subsequent years.

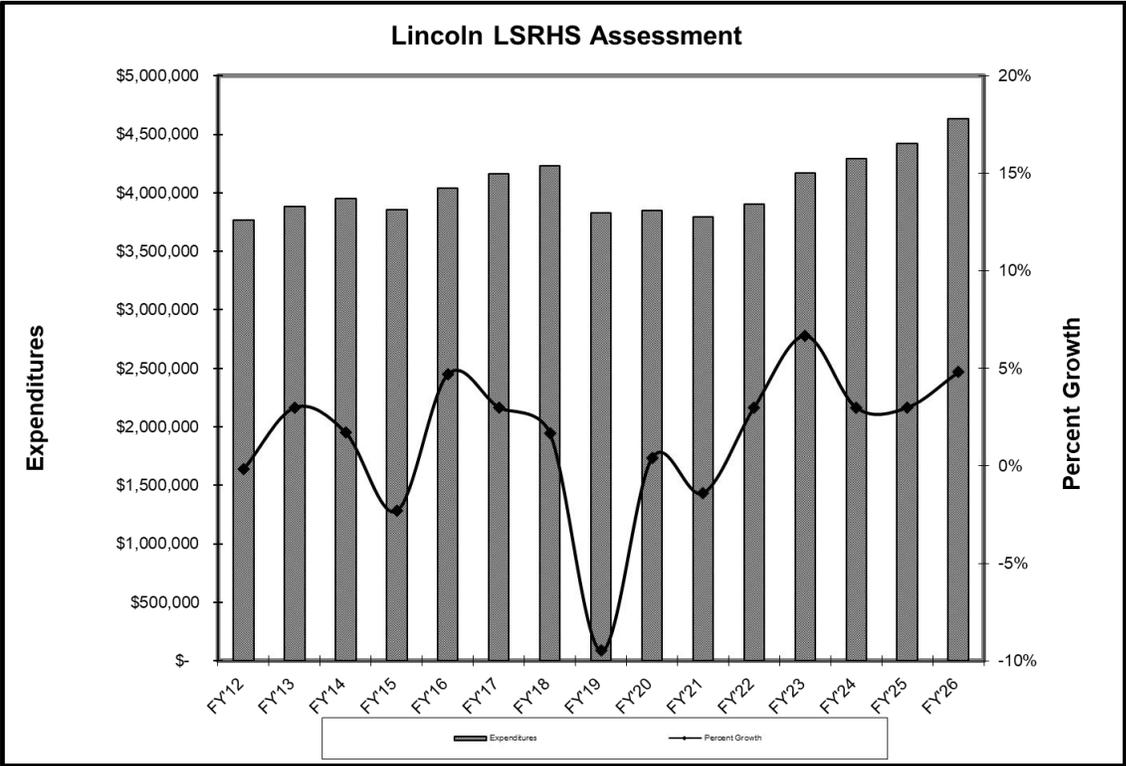
Key Issues:

- The proposed FY26 budget meets Lincoln's budget guideline.
- The proposed budget retains current educational programs, inclusive of modest increases in personnel in line with student needs. It requires modestly increased costs for out-of-district and in-district transportation, level funding for OPEB, an increase in health insurance and pension costs with flat projected utility costs.

- The current on-campus enrollment is projected to decline slightly in FY26, and the projection is for steady decline over the next five years.
- The proposed aggregate budget increase is 2.99% (each 1% is \$383,571).
- Lincoln’s share of the total assessment for FY26 is 12.9%, down slightly from FY25.
- Lincoln’s FY26 total assessment based on the aggregate proposed budget is projected to be \$61,441 higher than FY25.

Warrant Articles

- Article 12: Other Post-Employment Benefits (OPEB) Trust Fund for LSRHS \$59,892



**Annual Town Report: FY25
Lincoln-Sudbury Regional High School
Executive Summary**

Introduction

The high school serves students from the towns of Lincoln and Sudbury. As such, the school is comprised of students from the Pre-K to 8th Grade “feeder” districts, resident students of the towns that attended non-public schools, and students from Boston who participate in the Metropolitan Council for Educational Opportunity (METCO) program. This section compares Lincoln-Sudbury

to the following neighboring and peer districts: Belmont, Concord-Carlisle, Dover-Sherborn, Lexington, Newton, Wayland, Wellesley, and Weston.

The comparative information provided herein is based on the data provided by the State’s Department of Elementary and Secondary Education (DESE). Data for the 2023-2024 school year is the most recent information available. This data is available at <http://profiles.doe.mass.edu>.

Expenditures

The residents of Lincoln and Sudbury provide a high level of support to their regional high school. In turn, the high school provides a high-quality educational experience to its students at a fiscally responsible per pupil expenditure. As shown below, Lincoln-Sudbury’s per pupil expenditure in FY24 was \$26,241, slightly above the group average.

District	FY24 Per Pupil Expenditure	Out of District Tuition as % of Budget
Belmont	\$19,411	11%
Concord-Carlisle	\$26,663	8.0%
Dover-Sherborn	\$24,361	1.6%
Lexington	\$25,167	5.3%
Lincoln-Sudbury	\$26,241	11.8%
Newton	\$25,276	3.5%
Wayland	\$22,420	3.1%
Wellesley	\$27,591	5.1%
Weston	\$31,012	4.6%
Average:	\$25,349	6.0%

Graduation Rates

There are many data points to determine the effectiveness of the educational program at the high school. The state provides comprehensive analysis of MCAS results. These include scores on standardized tests, such as MCAS, and graduation rates. In the most recent DOE report available, for the class of 2023 Lincoln-Sudbury had a 4-year graduation rate of 95.9%, slightly below the average among the peer groups – 96.8%.

4-Year Graduation Rates	
Belmont	95.4%
Concord-Carlisle	97.4%

Dover-Sherborn	97.5%
Lexington	97.6%
Lincoln-Sudbury	95.9%
Newton	96.1%
Wayland	99.5%
Wellesley	96.7%
Weston	95.0%
Group Average:	96.8%

MCAS Results

LSRHS did administer MCAS in May 2024 to the 10th grade class (Class of 2026).

MCAS results from the 2024 “next generation” MCAS scores for 10th graders reveal that 47% of students met expectations and 39% of our tenth-grade students exceeded expectations (the highest category) in Math. In 10th grade English, 55% of students met expectations and 28% of our students exceeded expectations. In 10th grade Science, Technology and Engineering 59% of students met expectations and 24% of our students exceeded expectations.

Class Sizes

With the modest decreases in staffing and FY25 seeing a small decrease in enrollment, LSRHS has seen an increase in the percentage of students in classes with 25 students or more, with the median for FY25 being 23 students or less across all subject areas.

The chart below is based on FY24 Semester 1 enrollments.

% of Students in Classes of 25 Students or More

	FY23	FY24	FY25
Computer (Instructional Technology)	11.6%	35.4%	19.0%
English	12.4%	14.3%	5.4%
Fine, Applied, and Technical Arts (FATA)	8.3%	13.8%	16.4%

History	37.3%	34.0%	38.0%
Math	35.6%	37.5%	40.4%
Science	31.9%	35.8%	40.4%
Wellness	22.7%	11.6%	4.8%
World Language	16.6%	18.2%	17.2%

Vocational Technical High Schools

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 6,354	\$ 105,500	\$108,138

General Information

FY18 marked a change in the way in which vocational technical high school services are provided to Lincoln students. As a result, budget estimates for vocational technical high school expenses are less certain than they were historically. The Finance Committee’s proposal for FY26 is based on historic enrollments as well as estimated tuition rates and other associated costs.

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

Having voted to exit the district, Lincoln is not obligated to pay for the debt service associated with the new building project, however, the Town is assessed a “Capital Fee” (currently \$8,468.22 per student). The Town remains responsible for its share of prior outstanding debt. Lincoln’s share of debt service on prior borrowings is \$6,242 in FY25. Both the Capital Fee and the prior outstanding debt amounts are included in the recommended budget appropriation.

Enrollment

Enrollment of Lincoln students in the vocational technical high school program at Minuteman in recent years ranged between 0 and 11.

There are not currently any Lincoln students enrolled. The table below shows historic Lincoln enrollments.

Lincoln Vocational Technical High School Enrollment, 2006 to 2023

(measured at 10/1)

School Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lincoln	5	4	2	3	4	4	4	6	6	11	8	11	11	10	8	3	1	0	0

Tuition Rates

Beginning in FY18, Lincoln students were eligible to attend vocational technical high school programs at Minuteman or outside of the Minuteman district. Currently, there are no Lincoln resident students attending vocational technical high schools other than Minuteman. The Town has assumed that should students decide to attend another vocational technical high school in FY25, the cost should be offset by the savings in the budget for Minuteman. Along with expanded choices in vocational technical schools, the amount paid by the Town for its vocational technical students could vary by student. With Lincoln’s students considered non-resident students, tuition will be assessed at rates set by the State Commissioner of Education. Historically, the out-of-district tuition rates were lower than those assessed on a per-pupil basis to Minuteman member towns. The table below shows the out-of-district rates applicable at Minuteman and several other nearby regional vocational technical high schools in recent years.

Name	Location	Out of District Tuition					
		FY20	FY21	FY22	FY23	FY24	FY25 ¹
Assabet Valley	Marlborough	\$16,787	\$16,335	\$17,070	\$17,234	\$18,945	\$17,158
Minuteman	Lincoln	\$17,965	\$18,400	\$18,679	\$19,622	\$20,613	\$21,075
Nashoba Valley	Westford	\$17,965	\$18,048	\$18,143	\$18,084	\$18,382	\$18,424
South Middlesex	Framingham	\$17,965	\$18,400	\$18,679	\$19,622	\$20,613	\$17,356

Additional Costs

In addition to out-of-district tuition, some of the vocational technical high schools assess a fee for special education services. Minuteman charges an additional fee of \$8,917 per student for FY25. The Town is also expected to pay for transportation for students to vocational technical schools, the cost of which is currently shared with the Town of Sudbury.

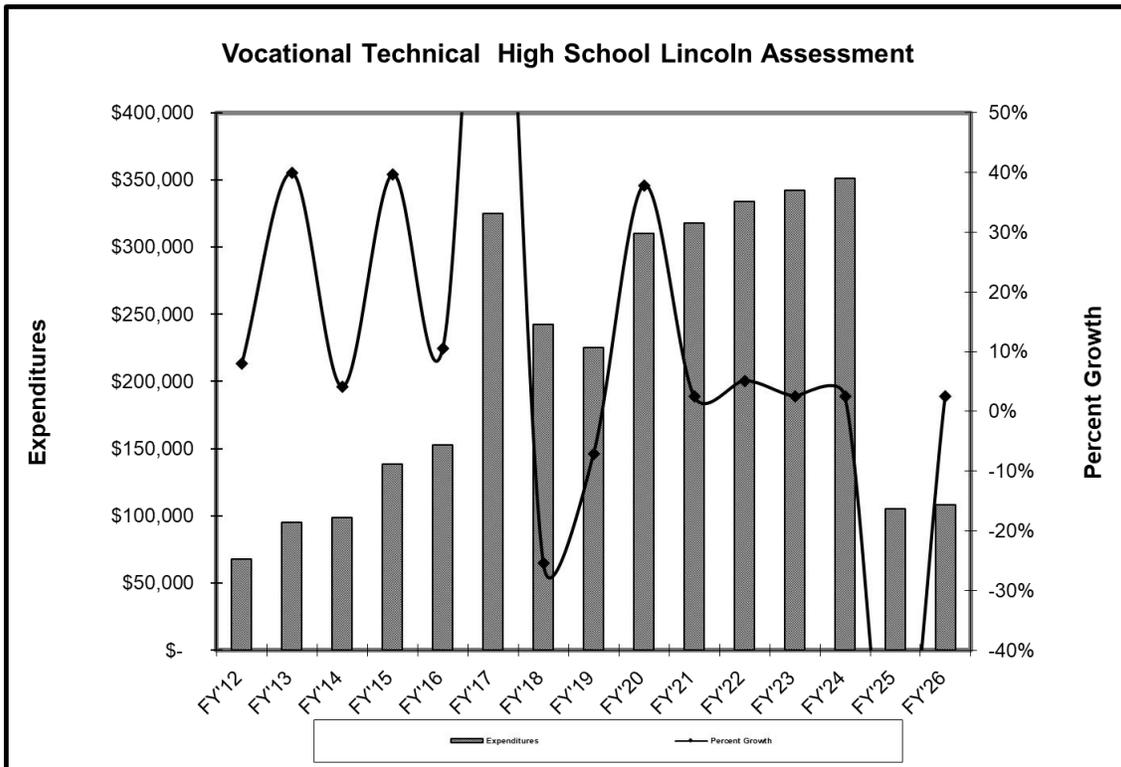
The Finance Committee believes the proposed budget amount would be sufficient to fund Lincoln’s share of existing debt service for Minuteman as well as tuition, the Capital Fee, special education services, and transportation costs for high school students who choose to attend a vocational technical high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

¹ Final FY26 rates were not available at the time of this printing.

Key Issues:

- There are not currently any Lincoln students enrolled at Minuteman.
- Following Lincoln’s decision to exit the Minuteman District, Lincoln high school students who wish to enroll in vocational technical programs have more choice.
- Lincoln students at vocational technical high schools will pay out-of-district tuition rates, which are set by the State. The Town is also expected to pay transportation costs for any Lincoln students enrolled at area vocational technical schools. Certain vocational technical high schools in the State assess a per-student fee for special education services and beginning in 2020, non-member towns are assessed a Capital Fee for each student who attends Minuteman.

Lincoln remains obligated for debt service on borrowings undertaken while the Town was a member of the Minuteman District.



Public Works and Facilities

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 1,966,422	\$ 2,207,464	\$ 2,243,192

General Information

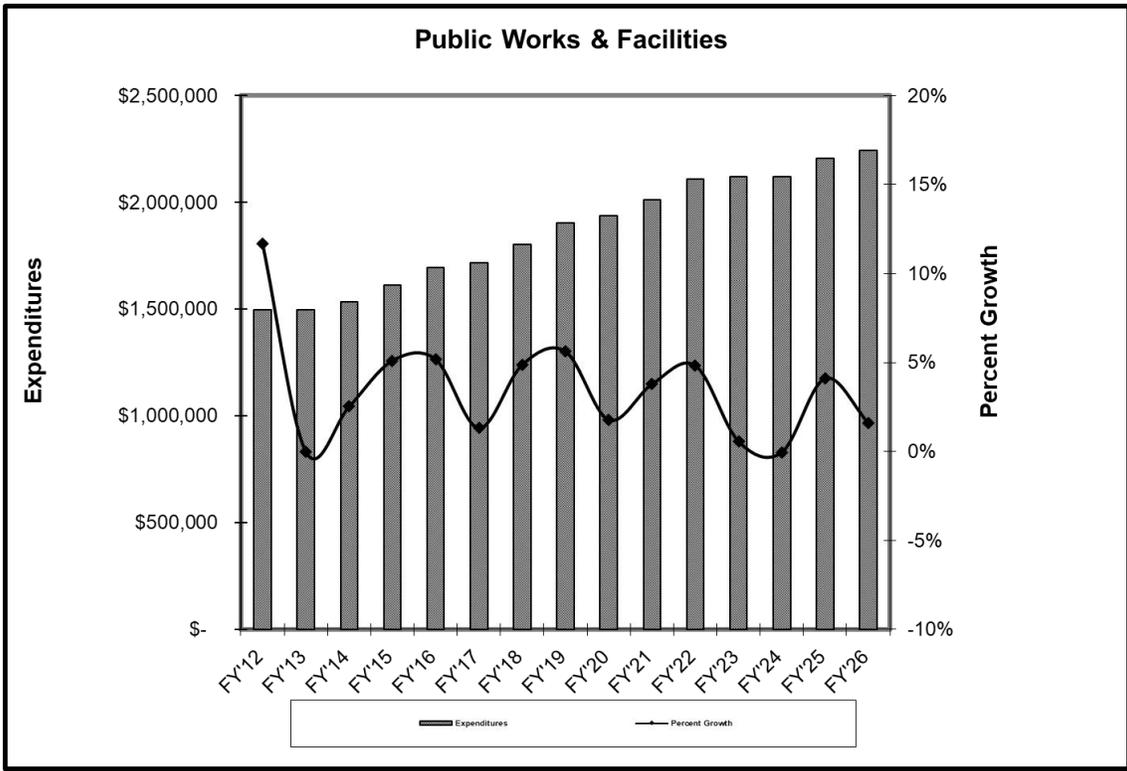
Public Works and Facilities includes Engineering & Consulting, DPW Operation & Maintenance, Snow & Ice Control, Street Lighting, Tree Warden, Building Maintenance, Transfer Station, Facilities, and Cemetery.

Key Issues

- The Public Works segment of the proposed budget is increasing by 1.6%.
- The State provides annual roadway funding under its Chapter 90 program, this amount is roughly \$270,000. The Town relies on Chapter 90 as its primary source funding for roadway maintenance and improvements. The proposed vote on the warrant is simply to accept the State funding.
- The Town’s three labor agreements (Police, Fire & DPW) were renegotiated in 2024, with three-year contracts. Town budgets include a 2.5% cost of living adjustment for FY 26 based on the agreements.

Warrant Articles

- Article 9: Town Building Maintenance \$84,515
- Article 13: State Roadway Funds (Chapter 90) – annual vote to accept state highway grant
- Article 23 (Capital): Town Hall Exterior Painting \$80,915
- Article 23 (Capital): DPW Bobcat Work Machine/Tractor \$88,000
- Article 23 (Capital): DPW Hook Truck Dump Body \$37,000
- Article 23 (Capital): DPW Paving Hot Box \$30,000
- Article 23 (Capital): Trapelo Road Drainage \$180,000
- Article 24 (CPA): Cemetery – Dallin Statue Restoration \$25,000



Human Services

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 462,140	\$ 434,226	\$ 514,048

General Information

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

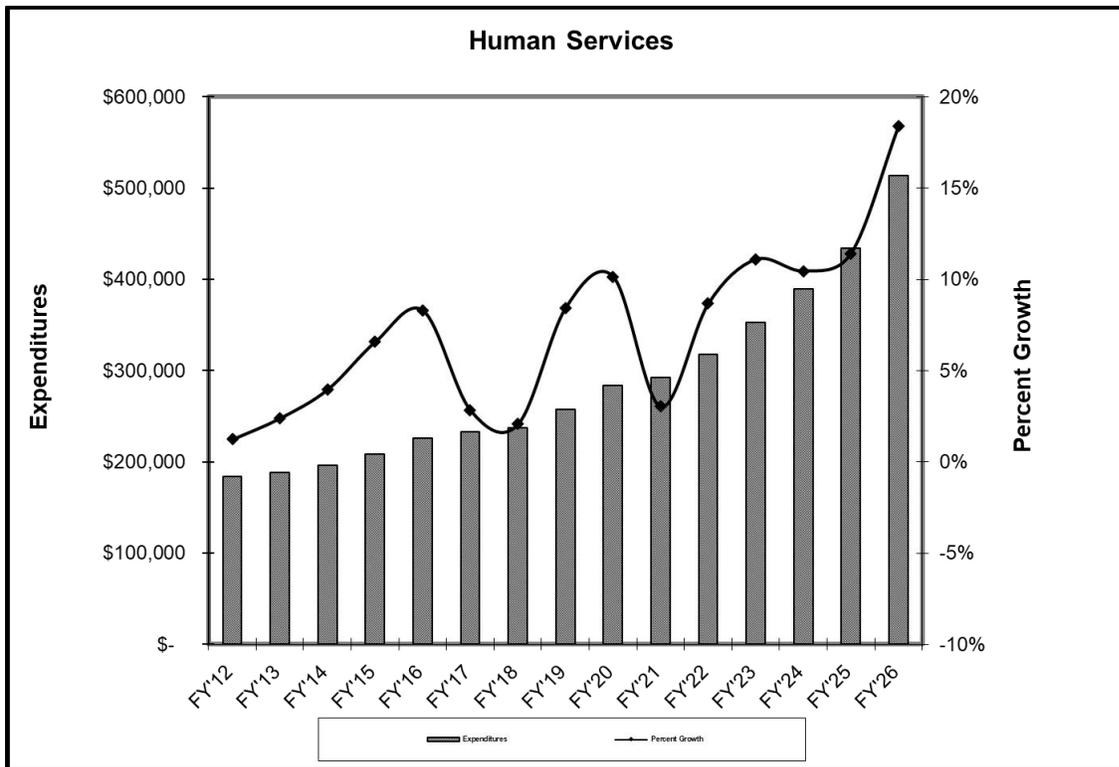
Operating Budget Key Issues

- The Human Services segment of the proposed budget is increasing by 18.4% primarily due to (a) a \$50,000 preferred budget item to better align the Veterans services budget with actual expenditures and (b) \$19,000 to continue Council on Aging services previously funded by ARPA. Note: the veteran expenses are partially reimbursed (75%) by the state.

- The Town’s three labor agreements (Police, Fire & DPW) were renegotiated in 2024, with three-year contracts. Town budgets include a 2.5% cost of living adjustment for FY 26 based on the agreements.

Warrant Articles

- Article 8: Veterans Work-off Program Renewal \$8,000
- Article 24 (CPA): Housing Rental Assistance Program \$97,356
- Article 24 (CPA): Housing Support Services (RHSO) \$42,000
- Article 24 (CPA): Affordable Housing Trust Fund Transfer \$500,000
- Article 24 (CPA): Housing Commission – Green Appliance Upgrade \$9,550
- Article 24 (CPA): Housing Commission – Housing Plan \$50,000
- Article 24 (CPA): Housing Commission – Exterior Painting of Housing Units. \$40,000
- Article 24 (CPA): Pierce House – Exterior Painting & Carpentry Repairs \$115,000



Recreation, Conservation, Celebrations, Pierce House & Historical Commission

	FY24 Actual	FY25 Budget	FY26 Proposed
Recreation	\$560,793	\$593,898	\$ 608,739
Conservation	\$136,280	\$162,991	\$171,111
Celebrations	\$5,349	\$7,330	\$7,513
Pierce House	\$40,000	\$40,000	\$40,000
Historical Commission	\$5,000	\$5,250	\$5,380

General Information

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

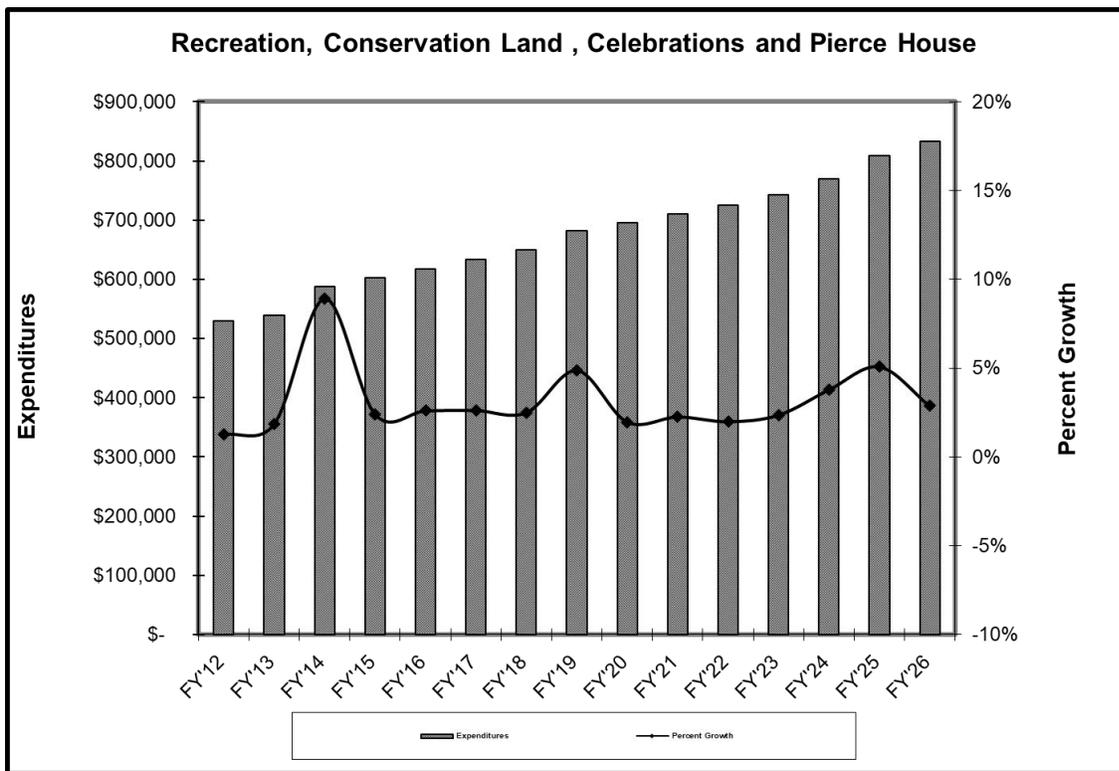
The Parks and Rec Department also has responsibility for organizing town celebrations, including Memorial Day, all July Fourth festivities, and the Pierce Park Summer Concert Series. The conservation land budget includes expenses for the maintenance and recreational use of conservation land. Personnel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

Key Issues

- The Culture & Recreation segment of the proposed budget is increasing by 2.9%, slightly above the historic growth rate.
- The Town’s three labor agreements (Police, Fire & DPW) were renegotiated in 2024, with three-year contracts. Town budgets include a 2.5% cost of living adjustment for FY 26 based on the agreements.

Warrant Articles

- Article 17: Conservation Receipts Reserved for Appropriation \$10,000
- Article 23 (Capital): Conservation Utility Tractor w/attachments \$57,154
- Article 23 (Capital): Parks & Rec- Replacement of PRD/DPW Pick-up \$75,000
- Article 24 (CPA): Historical Commission – Survey of Significant Buildings \$5,500
- Article 24 (CPA): Parks & Rec – Tennis Court Resurfacing (courts 3&4) \$102,700



Library

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 1,087,382	\$ 1,177,208	\$1,206,631

General Information

The Lincoln Library is a vibrant intellectual and cultural hub, dedicated to fostering lifelong learning through comprehensive resources and innovative programs. Housing one of two archival

vaults with the town's most precious historical documents, we preserve Lincoln's rich history and provide access to these irreplaceable records.

Our historic building is an architectural landmark anchoring the town center, symbolizing our commitment to preserving local heritage while meeting contemporary community needs.

The Lincoln Public Library's FY 2026 operating budget aligns with the Finance Committee's recommended 2.5% budget increase, demonstrating fiscal responsibility and our commitment to community service. We appreciate the support of Lincoln residents who make it possible for us to provide these services.

Key Issues

Personnel Services (6.65% Increase)

- Comprehensive 2.5% Cost of Living Adjustment (COLA) for all staff
- Multiple staff members receiving annual step increases

Position Enhancements

- **Head of Technical Services:** Role expanded from 20 to 37.5 hours per week with a new hire to meet growing technological service needs and workload demands. Previously, the town provided full benefits for a 20-hour position.
- **Children's/Teen Librarian:** Reclassified from "Assistant Librarian" to "Librarian" with a new hire, ensuring equitable compensation aligned with the role and responsibilities. Position hours increased from 35 to 37.5 hours per week.
- Selective increases in part-time staff hours to support public service desk coverage.

The 6.65% increase in personnel services represents a targeted approach to workforce development, competitive compensation, and meeting the evolving needs of our community.

Library Expenses (3.09% decrease)

- No planned additions of technology equipment or software for FY2026
- Leveraging existing technology infrastructure
- Maintaining funds for potential essential technology replacements
- Eliminated unspent miscellaneous expense line items
- Removed book binding services line item
- Decreased book processing supplies budget due to increased vendor pre-processing

Building Expenses (20% decrease)

The library has consistently spent less than the allocated utilities budget for the last three years and as such is reducing the FY26 budgeted expenses to align with actual spending patterns. Most building maintenance items are addressed through a separate maintenance warrant article.

Warrant Articles

- Article 10: Annual Library Maintenance \$65,200

Library Services

Collections and Resources

Our diverse collection includes 230,900 items comprised of books, periodicals, music, films, digital content, and specialty items including technology tools, kitchen appliances and board games.

New in FY25: Partnership with Ompractice for online fitness and mindfulness classes.

Community Engagement

The library offered a mix of in-person, hybrid, and virtual programs throughout the year for all ages. Our monthly ongoing events included three book groups for adults and four for kids & teens. We also host a monthly film screening, knitting group, photo sharing club, and writing group. Our Summer Reading Program had 240 participants.

Educational Partnerships

The library strengthened its educational impact through:

- Monthly Story Times at Lincoln and Hanscom Preschools
- Weekly Story Times at LEAP
- Monthly Book Talks for 6th and 7th grades at both Hanscom and Lincoln
- Classroom library card registration program
- Curriculum support for teachers and school librarians

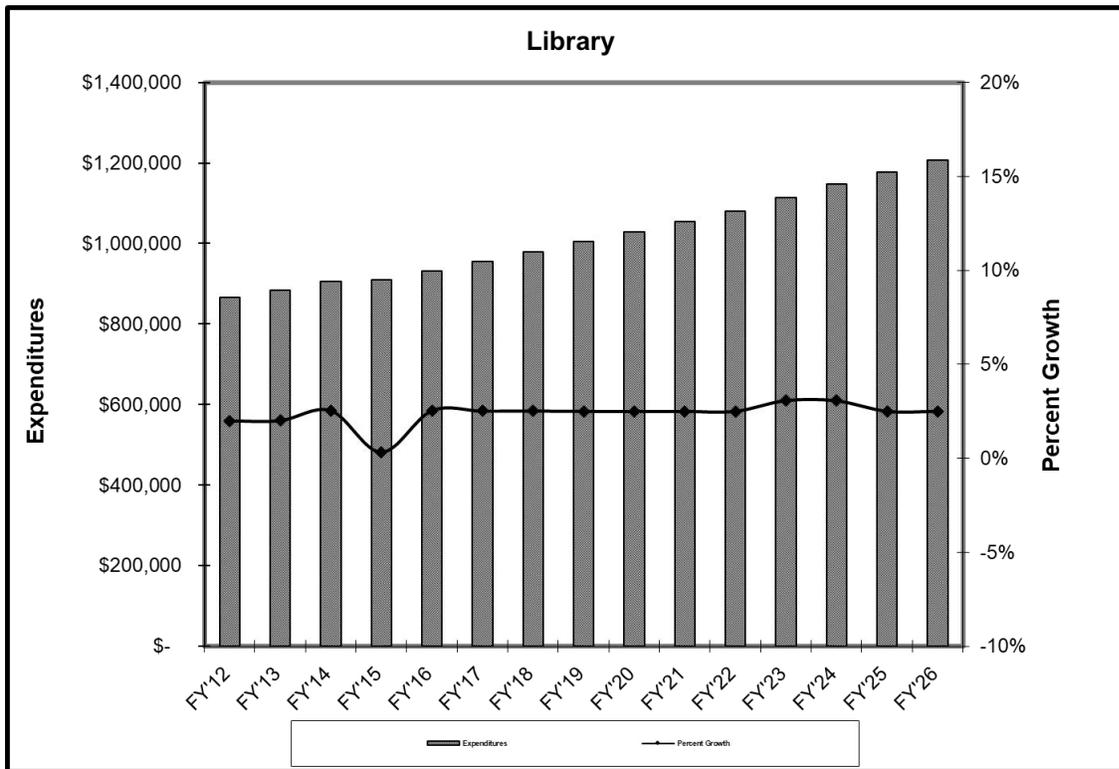
Selected Achievements

- Developed our 2025-2030 Strategic Plan in partnership with a consultant, Kelly Linehan, incorporating feedback from over 325 community members through surveys and focus groups. The plan was completed in October 2024 and establishes clear objectives for service enhancement and community engagement.
- Implemented a new public catalog interface that allows us to highlight our collections and services in new and innovative ways.
- Created a new quiet study room through Friends of the Lincoln Library funding, which saw exceptional utilization with 615 bookings in its first full year of operation.

Statistics

Service Metric	FY2023	FY2024	% Increase
Physical Circulation	135,342	125,290	-7%
Digital Circulation	27,774	32,976	+19%
Total Circulation	163,116	158,266	-3%
Reference Questions	6,354	8,203	+30%
Programs	735	688	-7%
Program Attendance	7,415	10,319	+40%
Patron Visits	60,961	60,458	-.82%
Cardholders	3,773	3,696	-3%

There was a 7% decline in physical circulation and 19% increase in digital circulation. This shift reflects broader trends in information consumption and indicates a strategic migration of user preferences rather than a decline in overall library engagement. This is supported by a 40% increase in program attendance and a 30% rise in reference questions. The FY26 budget highlights our commitment to maintaining balanced physical and digital collections, as well as our continued investment in digital infrastructure.



Debt Service

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 4,734,169	\$ 4,760,669	\$ 5,097,782

General Information

Debt service represents principal and interest payments on the Town’s outstanding loan obligations. It increases when Town Meeting authorizes short-term borrowing or the issuance of bonds. It decreases as the loans or bonds mature. Because principal has traditionally been repaid on a level basis and interest is paid on outstanding balances, debt service is “front loaded” with high payments initially that decline as principal is paid down over time (unlike a mortgage payment that remains level throughout its life). Some debt, however, such as the debt for the Town Offices renovation, was issued with a hybrid financing structure, with initial years of level debt service

(like a home mortgage), converting to level principal payments in later years. This structure reduces the front-loading effect of the debt, resulting in a smaller impact on property taxes, but does result in more total interest paid out over the life of the bond.

At the March 2024 Annual Town Meeting, residents voted to approve a Community Center project, for a total amount of \$24.02 million. The town expects to bond \$15.77 million for the project in November 2025, with the first interest payment of a ½ year due in FY26. The bonds are expected to be structured as level debt for a 30-year period.

The Lincoln School building project was bonded over a 30-year term and with level debt service due to its large size and the desire by the Finance Committee to best match the impact and term of the debt to the expected lifetime of the renovated buildings. The first tranche of that funding (\$80 million in bonds) was issued in February 2019, out of \$88.5 million of debt authorized for the project. The Town raised the remaining \$8.5 million authorized in March of 2022, with payments starting in September 2022. For FY26, the debt service represents approximately \$2.8 million for interest payments and approximately \$1.9 million for principal payments.

Recognizing the resident tax burden, the Finance Committee is recommending a “one time” use \$902,000 of Free Cash in FY26 to pay a portion of the Town’s debt service, in lieu of taxing residents for that amount. The Finance Committee came to this recommendation after reviewing estimates of available funds and anticipated expenses for the coming fiscal year, and the Committee believes this use of Free Cash will provide residents some “tax relief”, while balancing the Town’s need for emergency reserves and capacity for capital projects.

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

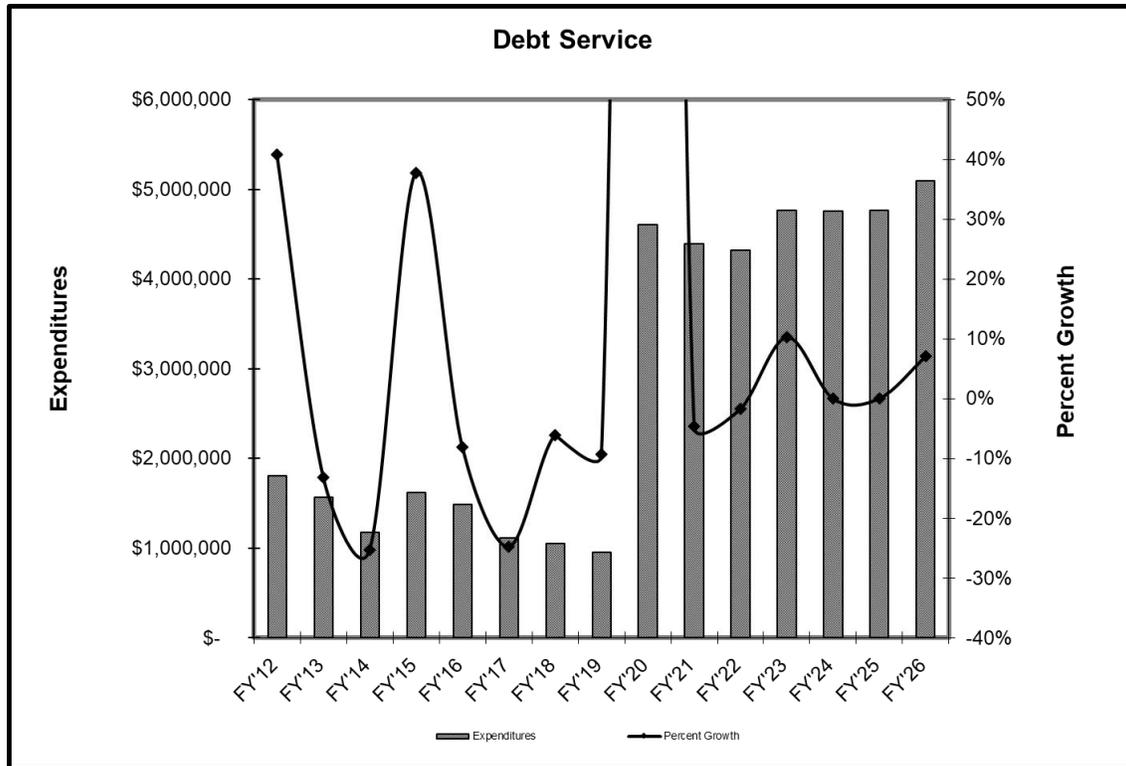
Note: debt service for LSRHS is part of the high school budget and not included in this section of the report.

Key Issues:

- Projected debt service for FY26 will increase by approximately 7.1% compared to FY25, due to the first interest payments on the Community Center debt. Note that the current outstanding debt on the School Building Project is structured as level debt payments and thus remains the same throughout the term of the bond.
- The Finance Committee is recommending the use of Free Cash to reduce the amount of debt service raised by taxes. This represents a reduction in the median tax bill of approximately \$460 or 2.5%.
- The FY26 amount excludes \$283,860 of debt service on the Town Offices project, that the Community Preservation Committee is recommending be funded with Community Preservation Act (CPA) funds. It also excludes \$99,550 of debt service for the Wang property, which was authorized for CPA funds by a prior year vote.

Warrant Articles

- Article 24 (CPA): Debt Service on Wang Property \$99,550
- Article 24 (CPA): Debt Service on Town Office Renovation \$283,860
- Article 25: Debt Stabilization Fund Appropriation \$4,070,000
- Article 27: Free Cash Appropriation to Reduce Debt Service (tax relief) \$902,000



Pension and Insurance

FY24 Actual	FY25 Budget	FY26 Proposed
\$ 7,973,918	\$ 8,888,389	\$ 9,107,665

General Information

This category covers health insurance, retirement assessment, unemployment insurance, FICA/Medicare, life insurance, and general insurance (e.g., property and casualty). The FY26 Budget is 2.5% higher than FY25.

The largest component of this category of expenses is health insurance, which represents about \$4.8 million, or about 53%, of the FY26 Pension and Insurance budget. The Town offers health

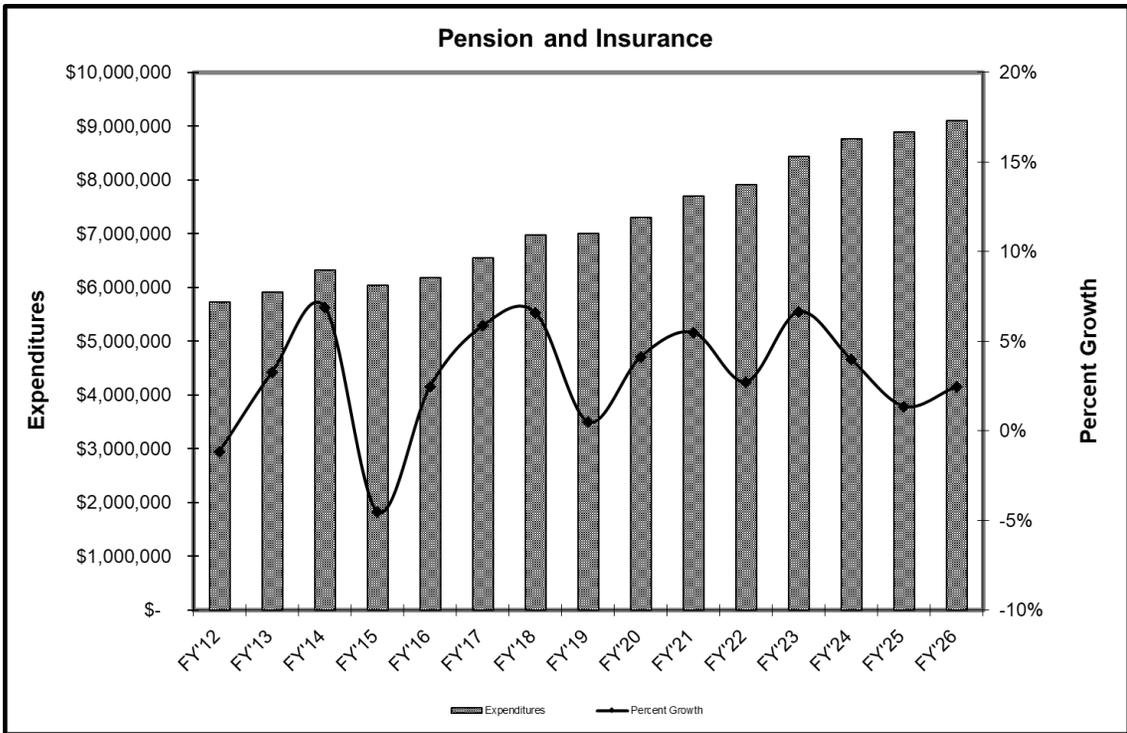
insurance plans to its employees, including employees of the Lincoln Public Schools. Note: School employee health insurance expenses are carried in this line item, not in the K-8 School Budget.

In recent years the Town, with the assistance of the employee unions, has saved approximately \$1.6 million in annual health care costs. The savings result from a number of actions including the adoption of Section 18, which requires qualified retirees to join Medicare (FY09); health insurance plan design changes (FY12); conversion of health insurance program to Massachusetts Interlocal Insurance Association (MIIA) from self-insurance (FY11); steps to reduce the cost of retiree prescription drug benefits (FY17); plan design changes including an increase in ER co-pay (FY18). In addition, the Town has implemented plan design changes that shifted enrollment to lower premium plans. The Town pays 60% of premium costs.

The Town's assessment for retirement contributions accounts for about \$3.0 million, or about 32.7% of the FY26 Pensions and Insurance budget. Lincoln is a member of the Middlesex Retirement System and contributes annually to a retirement fund that covers public sector employees within Middlesex County. The assessment continues to grow each year as employees earn a portion of their retirement with each year of service as well as with the requirement to fully fund the liability by the year 2037. For FY26, the cost increased by roughly 7%, however due to increased funding from the Hanscom Fund, the budget decreased by 2.8% compared to FY25.

General Insurance includes worker's compensation, liability insurance, and the bonding of appropriate Town personnel. The cost of this insurance is expected to be \$730,180 in FY26, a 5.9% increase over FY25.

The Town also pays for unemployment, life insurance and employee-related FICA/Medicare costs. State and federal law, personnel by-laws, and union contracts determine the Town's contributions. In combination, these expenses are expected to total \$588,682 in FY26, which is essentially flat when compared to FY25.



Water Department

	FY24	FY25	FY26
Budget	\$2,049,390**	\$2,098,750**	\$2,181,102**
Actual	\$1,766,477	TBD	TBD
Voted from retained earnings	\$68,000	\$75,000	\$75,000

** FY24-FY26 budgets include a \$75,000 emergency reserve fund that reverts to the water surplus fund if not used.

The Lincoln Water Department (LWD) maintains Lincoln’s water supply and distribution system, providing fire protection capacity and assuring the Town is supplied with an adequate quantity and quality of safe drinking water. As an Enterprise Fund, its operating budget is funded entirely through fees paid by water consumers. Revenues in excess of operating costs are contributed to retained earnings, which are used as a surplus fund for capital or emergency needs; its balance at the start of FY25 was \$1,715,933, an increase of \$89,649 from its balance at the beginning of FY24.

Though FY24 results were positive, revenues collected were not sufficient to support the FY25 town meeting approved budget without a rate increase. Hence, the Lincoln Water Department was required to request, and pass a 3% rate increase in September 2024. The proposed Capital Budget for FY26 reflects our commitment to addressing aging infrastructure in Lincoln. Of the 63 miles of water main in Lincoln, currently 8.7 miles are past their expected useful life. By 2045, over 56% of the water mains in town will be past their expected useful life. A water-main replacement program is being developed and initiated. Replacing the water main from the top of the hill on Bedford Road about ¼ mile north of the library, down Lincoln Road to the intersection of Codman Road is being planned for this summer, 2025. The estimated cost of this project is \$8,200,000, with Town Meeting authorizing \$2,200,000 in March 2024. A \$430,000 grant has been received for this work. The Department plans to take advantage of grant opportunities going forward. The cost of this bonded project will impact water rates going forward. Please see the Water Rates section of this report.

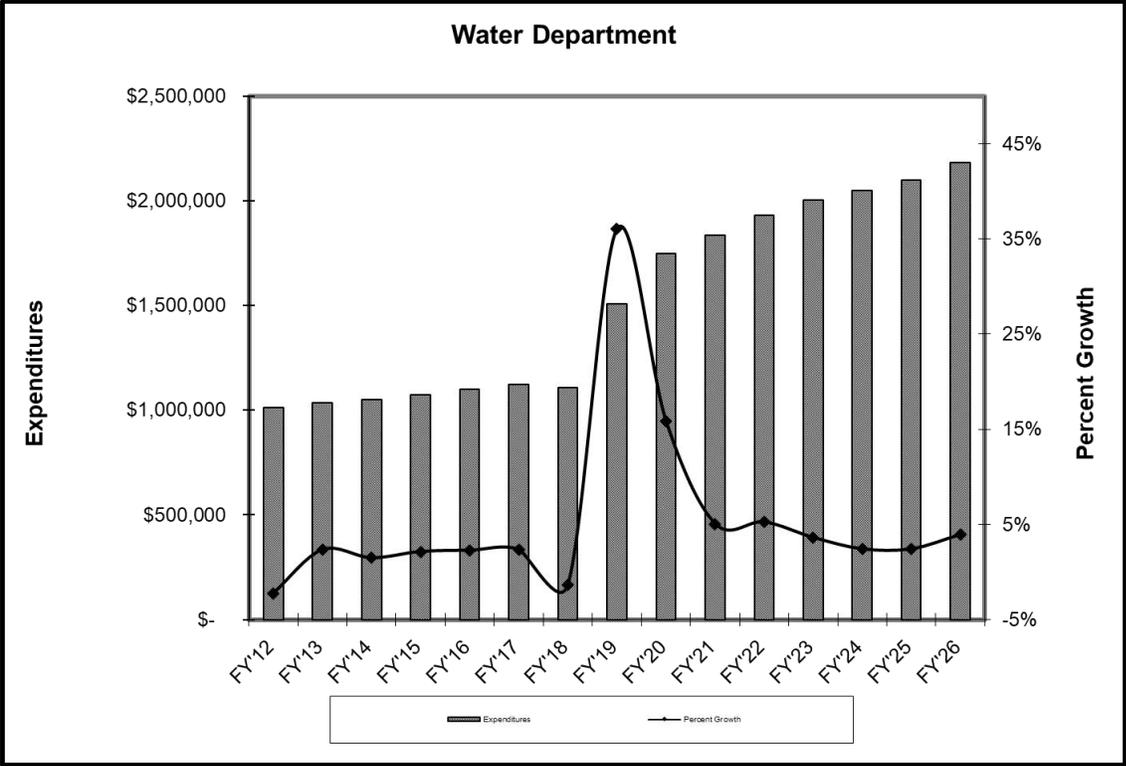
Key Issues

- *Staffing:* No staffing changes in FY24, with the exception of losing one weekend operator.
- *Capital projects:* The Bedford Road Water Storage Tank Cover Repair has been completed with ARPA funds. We are in the process of replacing Tower Road Well with ARPA funds. We are planning for Bedford / Lincoln Road water main replacement project in Summer 2025.
- *Longer-term financial strategic planning:* Lincoln has been invited to join a regional group of towns to consider possible regional membership to MWRA. The timeline for this is still many years out, but it may represent potential cost benefits in joining as an individual town. Tower Road well has trace PFAS levels that comply with the Current Massachusetts DEP Maximum Contaminant Levels (MCLs). These regulations could be tightened soon to match new, more stringent EPA MCLs. This could mandate treatment at the Tower Road Well which would be cost prohibitive. We are also exploring activating connections with Lexington, Weston and/or Wayland to provide an alternate water supply to replace Tower Road Well. This will be a complicated process involving neighboring communities, the MWRA and the DEP. It will also require improvements in our water use efficiency and reducing our unaccounted-for water to less than 10%.
- *Water rate increases:* In response to aging infrastructure and water quality challenges, we will be requesting a 10% water rate increase at Water Department Water Rate hearings in February 2025. We are projecting 10% water rate increases each year through 2029, with water rate increases slowly descending to 4% annually. These water rate increases are not out of line with other Public Water Supplies in our area faced with similar regulations and aging infrastructure.
- *Capital spending:* For FY26, the Water Department is requesting \$6.588 million in capital spending. The bulk of this is \$6.2 million for the remainder of the Bedford / Lincoln Road Water Main replacement project. See itemized breakdown below:

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

Warrant Article 29 – Authorize \$6,588,000 for Water Capital Improvements

Category	Description	Amount	Funding Source
SCADA Upgrade	The final piece of our SCADA Upgrade is to replace the PLC (computer) controlling the filter units.	\$38,000	Bonding
Smart Water Meter Upgrade	Initial phase to include data collection tower of smart water meter upgrade – will be a multi-year project to improve water use efficiency.	\$250,000	Bonding
Bedford / Lincoln Road Water Main Replacement	Final installment for Bedford / Lincoln Road Water Main replacement	\$6,200,000	Bonding
Vacuum Trailer	To efficiently perform 2-point investigations of service line materials to comply with MA DEP Lead Service Line Inventory requirements.	\$100,000	Bonding
	Total Water Capital Projects	\$6,588,000	



11. Appendix

**TABLE 1
FISCAL DETAIL
FY 2024-2026**

		ACTUAL EXPENDITURES FY24	CURRENT YEAR BUDGET FY25	PROPOSED BUDGET FY26
GENERAL GOVERNMENT				
1114	MODERATOR	-		
	Personnel Services	-	500	500
	Expense		1,500	1,500
	TOTAL 1114	-	2,000	2,000
1122	SELECT BOARD			
	Personnel Services	200	400	400
	Expense	2,158	3,000	3,000
	TOTAL 1122	2,358	3,400	3,400
1124	DIVERSTIY & ANTI-RACISM			
	Personnel Services	-	-	-
	Expense		15,000	15,000
	TOTAL 1122	-	15,000	15,000
1290	TOWN OFFICES			
	Personnel Services	1,233,300	1,365,931	1,426,295
	Expense	574,116	645,183	653,011
	TOTAL 1290	1,807,417	2,011,114	2,079,306
11312	FINANCE COMMITTEE			
	Expense	190	656	672
	TOTAL 11312	190	656	672
11322	RESERVE FUND			
	Reserve Fund Appropriation	218,000	616,025	849,000
	TOTAL 11322	218,000	616,025	849,000
1137	ASSESSORS			
	Personnel Services	76,371	78,843	80,722
	Expense	94,816	104,200	101,550
	TOTAL 1370	171,187	183,043	182,272
11512	LAW DEPARTMENT			
	Expense	132,500	82,500	77,500
	TOTAL 11512	132,500	82,500	77,500
1590	TOWN ARCHIVES			
	Personnel Services	15,158	26,593	27,708
	Expense	1,856	1,886	1,483
	TOTAL 1590	17,013	28,479	29,191
1161	TOWN CLERK			
	Personnel Services	243,650	265,631	283,164
	Expense	13,788	11,597	10,995
	TOTAL 1161	257,438	277,228	294,159
1162	REGISTRAR OF VOTERS			
	Personnel Services	350	8,450	8,661
	Expense	17,048	16,300	22,557
	TOTAL 1162	17,398	24,750	31,218

1171	CONSERVATION COMMISSION			
	Personnel Services	185,013	196,539	207,461
	Expense	3,284	4,250	4,250
	TOTAL 1171	188,297	200,789	211,711
1172	GREEN ENERGY COMM			
	Personnel Services	5,000	5,000	5,000
	Expense	-	2,500	2,500
	TOTAL 1171	5,000	7,500	7,500
1175	PLANNING BOARD			
	Personnel Services	218,740	227,926	268,865
	Expense	9,641	5,160	8,160
	TOTAL 1175	228,381	233,086	277,025
1176	BOARD OF APPEALS			
	Personnel Services	32,900	34,006	34,842
	Expense	2,234	3,537	3,650
	TOTAL 1176	35,134	37,543	38,492
1792	AGRICULTURAL COMMISSION			
	Personnel Services			
	Expense	6,401	6,555	12,675
	TOTAL 1792	6,401	6,555	12,675
1195	TOWN REPORT			
	Expense	67,807	22,650	33,216
	TOTAL 1195	67,807	22,650	33,216
1191	TOWN BUILDINGS			
	Personnel Services	69,916	73,101	74,928
	Expense	117,313	167,305	171,448
	TOTAL 1991	187,230	240,406	246,376
TOTALS FOR GENERAL GOVERNMENT		3,341,751	3,992,724	4,390,713
PUBLIC SAFETY				
1211	POLICE DEPARTMENT			
	Personnel Services	1,766,616	1,835,312	1,954,343
	Expense	130,893	137,576	149,080
	TOTAL 1211	1,897,509	1,972,888	2,103,423
1221	FIRE DEPARTMENT			
	Personnel Services	1,685,151	1,744,609	1,799,136
	Expense	73,577	73,835	76,168
	TOTAL 1221	1,758,728	1,818,444	1,875,304
1231	EMERGENCY MEDICAL SERVICES			
	Personnel Services	86,750	86,500	78,500
	Expense	30,808	30,850	30,828
	TOTAL 1231	117,558	117,350	109,328
12442	SEALER OF WEIGHTS & MEASURES			
	Expense	-		3,000
	TOTAL 2440	-		3,000
1249	BUILDING DEPARTMENT			
	Personnel Services	228,226	237,144	244,177
	Expense	9,178	15,375	14,575
	TOTAL 1249	237,404	252,519	258,752
1251	COMMUNICATIONS CENTER			
	Personnel Services	337,382	388,192	419,861
	Expense	37,889	64,418	65,418
	TOTAL 1251	375,271	452,610	485,279

1291	EMERGENCY MANAGEMENT			
	Personnel Services	3,000	5,000	5,000
	Expense	12,633	12,762	12,762
	TOTAL 1291	15,633	17,762	17,762
1292	DOG OFFICER			
	Expense	18,188	18,681	19,000
	TOTAL 1292	18,188	18,681	19,000
1299	PUBLIC SAFETY BUILDING			
	Personnel Services	-	-	-
	Expense	135,380	145,700	149,342
	TOTAL 1299	135,380	145,700	149,342
TOTALS FOR PUBLIC SAFETY		4,555,671	4,795,954	5,021,190
EDUCATION				
1310	LOCAL SCHOOL SYSTEM			
	Personnel Services & Expense	12,504,306	13,490,352	13,827,611
	TOTAL 1310	12,504,306	13,490,352	13,827,611
1331	LINCOLN-SUDBURY REG HS			
	Regional School District Assessment	3,941,309	4,421,436	4,634,079
	TOTAL 1331	3,941,309	4,421,436	4,634,079
1333	VOCATIONAL SCHOOL ASSESSMENT(S)			
	Regional School District Assessment	6,354	105,500	108,138
	TOTAL 1332	6,354	105,500	108,138
TOTALS FOR EDUCATION		16,451,969	18,017,288	18,569,828
PUBLIC WORKS & FACILITIES				
1411	ENGINEERING & CONSULTING			
	Expense	87,755	168,000	158,000
	TOTAL 1411	87,755	168,000	158,000
1422	DPW OPERATION & MAINTENANCE			
	Personnel Services	805,740	864,170	892,600
	Expense	359,587	399,360	402,370
	TOTAL 1422	1,165,327	1,263,530	1,294,970
1423	DPW SNOW & ICE CONTROL			
	Personnel Services	51,207	92,370	94,710
	Expense	251,381	233,500	237,800
	TOTAL 1423	302,588	325,870	332,510
1424	STREET LIGHTING			
	Expense	13,981	17,000	17,400
	TOTAL 1424	13,981	17,000	17,400
1427	TREE WARDEN			
	Expense	8,292	8,700	8,900
	TOTAL 1427	8,292	8,700	8,900
1429	DPW BUILDING			
	Expense	30,025	29,200	29,820
	TOTAL 1429	30,025	29,200	29,820

1434	TRANSFER STATION			
	Personnel Services	203,426	58,400	59,800
	Expense	56,622	206,500	201,900
	TOTAL 1434	260,048	264,900	261,700
1435	FACILITIES DEPARTMENT			
	Personnel Services	67,030	74,502	79,272
	Expense	801	2,453	2,380
	TOTAL 1435	67,831	76,955	81,652
1491	CEMETERY DEPARTMENT			
	Personnel Services	13,525	27,949	28,647
	Expense	17,051	25,360	29,593
	TOTAL 1491	30,575	53,309	58,240
TOTALS FOR PUBLIC WORKS & FACILITIES		1,966,422	2,207,464	2,243,192
HUMAN SERVICES				
1511	BOARD OF HEALTH			
	Personnel Services	30,627	33,100	33,764
	Expense	26,431	31,998	32,731
	TOTAL 1511	57,058	65,098	66,495
1522	MINUTEMAN HOME CARE			
	Expense	1,634	1,675	1,717
	TOTAL 1522	1,634	1,675	1,717
1541	COUNCIL ON AGING			
	Personnel Services	261,977	300,303	327,008
	Expense	18,094	18,694	19,161
	TOTAL 1541	280,071	318,997	346,169
1543	VETERANS' SERVICES			
	Personnel Services	5,332		5,629
	Expense	118,046	43,456	88,913
	TOTAL 1543	123,378	43,456	94,542
1591	HOUSING COMMISSION			
	Personnel Services	-	5,000	5,125
	TOTAL 5910	-	5,000	5,125
TOTALS FOR HUMAN SERVICES		462,140	434,226	514,048
CULTURE & RECREATION				
1611	LIBRARY			
	Personnel Services	768,769	832,263	887,585
	Expense	240,104	257,195	249,246
	TOTAL 1611	1,008,873	1,089,458	1,136,831
1612	LIBRARY BUILDING			
	Expense	78,509	87,750	69,800
	TOTAL 1612	78,509	87,750	69,800
1631	RECREATION DEPARTMENT			
	Personnel Services	424,087	441,029	444,914
	Expense	136,706	152,869	163,825
	TOTAL 1631	560,793	593,898	608,739
1651	CONSERVATION LAND			
	Personnel Services	125,325	151,968	160,261
	Expense	10,956	11,023	10,850
	TOTAL 1651	136,280	162,991	171,111
1661	CELEBRATIONS COMMITTEE			
	Expense	5,349	7,330	7,513
	TOTAL 1661	5,349	7,330	7,513

16931	PIERCE HOUSE			
	Personnel Services	40,000	40,000	40,000
	TOTAL 16931	40,000	40,000	40,000
16911	Historical Commission			
	Personnel Services	5,000	5,000	5,000
	Expense		250	380
	Total 16911	5,000	5,250	5,380
TOTALS FOR CULTURE & RECREATION		1,829,804	1,986,677	2,039,374
DEBT SERVICE				
1791	INTEREST SHORT-TERM DEBT/ISSUANCE COSTS			
	Expenses	-	25,000	25,000
	TOTAL 1791	-	25,000	25,000
17753	TOWN OFFICES RENOVATION			
	Principal Long-Term Debt	-	-	-
	Interest on Short Term Debt	-	-	-
	TOTAL 17753	-	-	-
17755	2019 SCHOOL BUILDING PROJECT			
	Principal Long-Term Debt	1,765,000	1,855,000	1,950,000
	Interest on Long Term Debt	2,969,169	2,880,669	2,787,669
	TOTAL 17755	4,734,169	4,735,669	4,737,669
17756	COMMUNITY CENTER BUILDING PROJECT			
	Principal Long-Term Debt			-
	Interest on Long Term Debt			335,113
	TOTAL 17756			335,113
TOTALS FOR DEBT SERVICE		4,734,169	4,760,669	5,097,782
UNCLASSIFIED				
INSURANCE				
1911	RETIREMENT ASSESSMENT			
	Expense	3,034,964	3,069,360	2,983,120
	TOTAL 1911	3,034,964	3,069,360	2,983,120
1913	UNEMPLOYMENT INSURANCE			
	Personnel Services	2,614	41,057	42,083
	TOTAL 1913	2,614	41,057	42,083
1914	HEALTH INSURANCE			
	Personnel Services	3,835,672	4,510,580	4,773,683
	Expense	1,815	31,485	32,000
	TOTAL 1914	3,837,487	4,542,065	4,805,683
1915	LIFE INSURANCE			
	Personnel Services	4,384	11,227	11,508
	TOTAL 1915	4,384	11,227	11,508
1916	FICA/MEDICARE			
	Personnel Services	474,631	535,091	535,091
	TOTAL 1916	474,631	535,091	535,091

1942	GENERAL INSURANCE			
	Expense	619,837	689,589	730,180
	TOTAL 1942	619,837	689,589	730,180
TOTALS FOR UNCLASSIFIED		7,973,917	8,888,389	9,107,665
TOTALS FOR GENERAL FUND		41,315,844	45,083,391	46,983,792
WATER ENTERPRISE FUND				
61451	WATER DEPARTMENT			
	Personnel Services	678,367	760,450	792,402
	Expense	770,552	915,300	915,300
	SUB-TOTAL	1,448,919	1,675,750	1,707,702
	Capital Outlay	292,943	348,000	398,400
	TOTAL 61451	1,741,862	2,023,750	2,106,102
614513	WATER DEPARTMENT			
	Emergency Reserve	-	75,000	75,000
	TOTAL 614513	-	75,000	75,000
TOTALS FOR WATER ENTERPRISE FUND		1,741,862	2,098,750	2,181,102
APPROPRIATION SUMMARY -				
GENERAL GOVERNMENT		3,341,751	3,992,724	4,390,713
PUBLIC SAFETY		4,555,671	4,795,954	5,021,190
EDUCATION		16,451,969	18,017,288	18,569,828
PUBLIC WORKS & FACILITIES		1,966,422	2,207,464	2,243,192
HUMAN SERVICES		462,140	434,226	514,048
CULTURE & RECREATION		1,829,804	1,986,677	2,039,374
DEBT SERVICE		4,734,169	4,760,669	5,097,782
UNCLASSIFIED		7,973,917	8,888,389	9,107,665
WATER DEPARTMENT		1,741,862	2,098,750	2,181,102
TOTAL - ARTICLE 22		43,057,705	47,182,141	49,164,894

TOWN OF LINCOLN, MASSACHUSETTS

ANNUAL TOWN MEETING

Saturday, March 29, 2025, at 9:30 a.m.

WARRANT



TOWN OF LINCOLN

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, ss

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

GREETINGS:

In the name of the Commonwealth you are hereby required to notify the legal voters of said Town of Lincoln qualified to vote at Town Meeting for the transaction of Town Affairs to meet for the **Annual Election (Article 1) at the Reed Gymnasium at the Lincoln School at 6 Ballfield Road in said Lincoln on Monday, the thirty first day of March, 2025 next, with the polls to be open at 7:30 a.m. and closed at 8:00 p.m.**, then and there to act on the following Article 1, and also to meet for the **Annual Town Meeting in the Donaldson Auditorium at the Lincoln School at 6 Ballfield Road in said Lincoln on Saturday, the twenty ninth day of March, 2025 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 29th day of March next.

Cable Broadcast: The meeting will be broadcast on Lincoln Cable Access Television, Comcast channel 8 and Verizon channel 33.

Additional Dates: In the event that meeting business cannot be completed within the allotted time, per the discretion of the moderator, Town Meeting will be continued on Tuesday, April 1st at 7:00 p.m.

Accommodations: Any person interested in exploring accommodations to enable full participation in Town Meeting is urged to contact the Select Board's Office at 781-259-2601. Every reasonable attempt will be made to provide the necessary assistance.

ARTICLE 1

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

- Board of Assessors - one seat for three years
- Board of Health - one seat for three years
- Cemetery Commission - one seat for three years
- Commissioners of Trust Funds - one seat for three years
- Lincoln-Sudbury Regional District School Committee - two seats for three years
- Parks and Recreation Committee - one seat for three years
- Planning Board – two seats for three years
- K-8 School Committee – one seat for two years & one seat for three years
- Select Board - one seat for three years
- Town Clerk- one seat for three years
- Trustees of Bemis Fund - one seat for three years
- Trustees of Lincoln Library - one seat for three years
- Water Commissioner - one seat for three years

ARTICLE 2

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

Select Board

ARTICLE 3

To see if the Town will vote to use this article as an electronic voting (a.k.a. “clicker”) demonstration vote to help our voters assess the benefits of incorporating electronic voting into our Town Meeting vote counting procedures; or take any action relative thereto.

Select Board

ARTICLE 4

To see if the Town will vote to amend its General Bylaw, Article II (Town Meeting), Section 8, to add electronic voting (a.k.a. “clickers) as a method of counting votes at Town Meeting; or take any action relative thereto.

Select Board

ARTICLE 5

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

Select Board

ARTICLE 6

To see if the Town will vote to fix the salaries and compensation of the several elective officers of the Town; or take any other action relative thereto.

Select Board

ARTICLE 7

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

Select Board

ARTICLE 8

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

Select Board

ARTICLE 9

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

Select Board

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

Library Trustees

ARTICLE 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 add funds to the Group Insurance Liability Fund established by Chapter 474 of the Acts of 2008, which Fund will help offset the Town’s so-called “Other Post-employment Benefits (OPEB)” liability established by Statements 74 and 75 of the Governmental Accounting Standards Board; or take any other action relative thereto.

Finance Committee

ARTICLE 12

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, by borrowing or any combination thereof, to add funds, representing Lincoln’s proportionate share of the contribution recommended by the Lincoln Sudbury Regional High School (“LSRHS”) School Committee, to the Lincoln Sudbury Regional School District Retirees Health Insurance Trust Fund, established by the acceptance of Chapter 32B, Section 20 of the Massachusetts General Laws, for LSRHS, which Fund will help offset the High School’s so-called “Other Post-employment Benefits (OPEB)” liability established by Statements 74 and 75 of the Governmental Accounting Standards Board; or take any other action relative thereto.

Finance Committee

ARTICLE 13

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

Select Board

ARTICLE 14

To see if the Town will vote to transfer from Free Cash a sum of money equal to the state reimbursement amount for Special Education Medicaid expenses to supplement the Fiscal Year 26 Lincoln School operating budget; or take any other action relative thereto.

School Committee

ARTICLE 15

To see if the Town will vote to appropriate a sum of money from the PEG Access and Cable Revolving Fund, established under Article 32 of the March 19, 2016 Town Meeting, to support cable related purposes consistent with the franchise agreement between cable operators and the Town of Lincoln, including, but not

limited to: (i) support of public, educational or governmental access cable television services; (ii) monitor compliance of the cable operator with the franchise agreement; and/or (iii) prepare for renewal of the franchise license; or take any other action relative thereto.

Select Board

ARTICLE 16

To see if the Town will vote to amend its General Bylaws, Article XXVII, Capital Planning Committee, as follows, with text to be deleted shown in strikethrough and text to be inserted shown in underline:

Four Representative Members, consisting of one appointed by and from each of the Select Board, the School Committee, the Green Energy Committee ~~Conservation Commission~~, and the Library Board.

; or take any other action relative thereto.

Select Board

ARTICLE 17

To see if the Town will vote to appropriate and transfer a sum of money from the Conservation Receipts Reserved for Appropriation account to support maintenance and improvements to agricultural conservation land; or take any other action relative thereto.

Conservation Commission

Article 18

To see if the Town will vote to amend its General Bylaw, Article XXVIII, Section 1, titled: "Revolving Funds" by inserting in the row entitled "Codman Farmhouse", the following underlined text:

PROGRAM or PURPOSE	REVENUE SOURCE	AUTHORITY TO SPEND FUNDS	USE OF FUNDS
Codman Farmhouse	Lease Fees	Select Board	To defray expenses related to the care and maintenance of the Codman Farmhouse <u>and Barns</u>

; or take any other action relative thereto.

Select Board

Article 19

To see if the Town will vote to accept the provisions of Massachusetts General Laws, Chapter 44, Section 54(b) to allow Town trust funds to be invested in accordance with Massachusetts General Laws, Chapter 203C, the so-called “Prudent Investor Rule”; or take any other action relative thereto.

Finance Committee

Article 20

To see if the Town will vote to authorize the Select Board to refile the Home Rule Petition approved by the May 15, 2021, Town Meeting providing for the Town to require retail establishments to charge a fee for check out bags, provided, however, that the General Court may make clerical or editorial changes of form only to the bill, unless the Select Board approve amendments to the bill before enactment by the General Court, and provided further that the Select Board is hereby authorized to approve such amendments as are within the scope of the general public objectives of this petition; or take any other action relative thereto.

Select Board

ARTICLE 21

To see if the Town will vote to hear a report from the Linc250th Committee formed by the Select Board to commemorate and celebrate Lincoln’s participation in the events of April, 1775 and the start of the American Revolution, and to act on any recommendations it may present; or take any action relative thereto.

Select Board

ARTICLE 22

To see if the Town will vote to raise and appropriate by taxation, by transfer from available funds or otherwise a sum of money for the necessary and expedient purposes of the Town for Fiscal Year 2026; or take any other action relative thereto.

Finance Committee

ARTICLE 23

To receive and act upon a report of the Capital Planning Committee on the Fiscal Year 2026 Capital Budget, and to see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds, including stabilization funds, by borrowing or any combination thereof, to purchase and equip various capital items, or to fund capital projects all as recommended by the Capital Planning Committee, including all costs incidental and related thereto; or take any other action relative thereto.

Capital Planning Committee

ARTICLE 24

To receive and act upon a report from the Community Preservation Committee on the Fiscal Year 2026 Community Preservation Budget, and to appropriate or reserve for later appropriation monies for the administrative expenses of the Community Preservation Committee, the payment of debt service, the undertaking of Community Preservation projects and all other necessary and proper expenses for the year, and to determine whether such sums shall be raised from the Community Preservation Fund, transferred from available funds, borrowed, or any combination thereof; or take any other action relative thereto.

Community Preservation Committee

ARTICLE 25

To see if the Town will vote to raise and appropriate a sum of money by taxation, by transfer from available funds (including any amount appropriated under Article 22) that exceeds the final Lincoln assessment voted no later than July 31st, by the Lincoln Sudbury Regional High School, School Committee for the fiscal year 2026, in accordance with law, by borrowing or any combination thereof, to add funds to the Debt Stabilization Fund, so called, previously established in accordance with Massachusetts General Laws, Chapter 40, Section 5B at the March 26, 2011 Annual Town Meeting, Article 19, for the purpose of funding future debt service obligations; or take any other action relative thereto.

Finance Committee

ARTICLE 26

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

Select Board

ARTICLE 27

To see if the Town will vote to appropriate and transfer from Free Cash a sum of money to reduce FY 26 debt service payments; or take any other action relative thereto.

Finance Committee

ARTICLE 28

To see if the Town will vote to appropriate and transfer from Free Cash or any other source of funds a sum of money to reduce the total amount to be raised by taxation pursuant to the votes previously taken under

Article 22 of this Warrant, or any other article of this Warrant authorizing the appropriation of funds from taxation; or take any other action relative thereto.

Finance Committee

ARTICLE 29

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

Water Commission

ARTICLE 30

To see if the Town will vote to hear a report from the Town Meeting Study Committee (TMSC) and act on any initial recommendations; or take any action relative thereto.

Select Board

ARTICLE 31

To see if the Town will vote to amend its Zoning Bylaw, by inserting a new Section 14.4, entitled "Accessory Dwelling Units", to comply with the provisions of Sections 7 and 8 of Chapter 150 of the Acts of 2024, the Affordable Homes Act ("Act"), amending G.L. c.40A, §§1A and 3, and implementing regulations promulgated by the Executive Office of Housing and Livable Communities, Section 760 CMR 71.00, which allow Accessory Dwelling Units as defined in the Act as "not larger in Gross Floor Area than ½ of the Gross Floor area of the Principal Dwelling or 900 square feet, whichever is smaller", by right; and further that

non-substantive changes to the numbering of this bylaw be permitted to comply with the numbering format of the Town of Lincoln Zoning Bylaw; or take any other action relative thereto.

Planning Board

ARTICLE 32

To see if the Town will vote to amend its Zoning Bylaw, Section 14, Special Housing Provisions, to include revising the definition of “Accessory Apartment” and “Affordable Accessory Apartment” to clearly differentiate Accessory Apartments from the new state law definition of “Accessory Dwelling Unit”, as described in Article 31, amending Section 14.3.2 to remove the cap on the allowable number of Accessory Apartments, changing references to the Department of Housing and Community Development (DHCD) to the Executive Office of Housing and Livable Communities (EOHLC), capitalizing references to “Accessory Apartment” for consistency, and further that non-substantive changes to the numbering of this bylaw be permitted to comply with the numbering format of the Town of Lincoln Zoning Bylaw; or take any other action relative thereto.

Planning Board

ARTICLE 33

To see if the Town will vote to amend its Zoning Bylaw and Map, Section 12.3, entitled “Flood Plain District” as follows: By deleting the existing section 12.3 in its entirety and replacing it with new text and references to updated Maps to comply with the Federal Emergency Management Agency’s standards for the National Flood Insurance Program, updated in 2020; or take any other action relative thereto.

Planning Board

ARTICLE 34

To see if the Town will vote to accept Clauses Twenty-second I and Twenty-second J Massachusetts General Law, Chapter 59, Section 5, Clauses Twenty-second I and Twenty-second J, added by Section 23 of Chapter 178 of the Acts of 2024, An Act Honoring, Empowering and Recognizing Our Service Members and Veterans, known as the HERO Act, for the purpose of expanding property tax exemptions available to qualifying military veterans under existing state law; or take any other action relative thereto.

Select Board

Hereof fail not and make return of this Warrant with your doings, thereon to the Town Clerk, at or before the time for the meeting aforesaid. Given under our hands this the 24th day of February, 2025.



Kim Bodnar, Chair



Jennifer Glass



Jim Hutchinson

Lincoln Select Board

Glossary

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

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

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

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

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

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

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

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

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

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

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

Tax Exemptions

Property Tax Exemptions

PROGRAM	Senior & Veterans Work Off	Deferral 41A	Temporary Deferral 18A	Elderly 17E	Elderly 41D	Blind 37A	MA Income Tax Circuit Breaker
Eligible Age	Seniors: 60 Veterans: none	60	None	70	65	None	65
Income Limit	None	Single \$69,000 Married \$103,000	Financial hardship	None	Single \$27,534. Married \$41,297. excluding some SS	None	Single \$69,000 Married \$103,000
Asset Limit	None	None	Financial hardship	\$49,991. excluding domicile	Single \$55,063. Married \$75,713. excluding domicile	None	Domicile \$1,025,000
Assistance	Seniors up to \$1,500 Veteran's up to \$1,500	Total Bill (but not CPA tax)	Total Bill (but not CPA tax)	\$792	\$2,000	\$1,000	For 2024, tax credit of up to \$2,590*
Inflation Adjustment	None	None	None	Annual CPI	None	None	Annual Adjustment
Apply	Annually	Annually	Annually (for 3 years only)	Annually	Annually	Annually	Annually
Deadline	Call Council on Aging 781-259-8811	Within 3 months after tax bill	Within 3 months after tax bill	Within 3 months after tax bill	Within 3 months after tax bill	Within 3 months after tax bill	File State Tax Form and Sch CB – can file for past 3 years

*Circuit Breaker Tax Credit = (RE tax + 50% water bill) – (10% qualified income)
FY 2025

Veterans Exemptions

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

Veterans are also eligible for the Property Tax Work Off program

FY 2025