



Lincoln Finance Committee

State of the Town Meeting

October 20, 2018

School Building Related FinComm + Town Actions Since June



*Town of Lincoln
Finance Committee*

- Drafted written management policies to boost that sub-score in S&P credit rating
 - Budget oversight, Debt Mgt, Emergency Reserves, Financial Forecasting, Fraud, and Post Issuance Compliance
- Attended SBC meetings and followed proceedings
- Developed a review plan based on relevant parts of MSBA process
- Creating a tentative financing plan and schedule
- Investigating new Senior Means Tested Tax Exemption Program

School Building Financing Issues



*Town of Lincoln
Finance Committee*

- Looking at ALL available funding sources
 - Likely: bonding, Stabilization Fund, and Free Cash
 - Investigating: Solar incentives, CPA, Chap 90, cable fees, Complete Streets, other state funding
- Endorsed 3rd party “PPA” approach for solar install rather than purchasing directly
- Working on borrowing schedule proposal
 - Use Stabilization for lowering amount of borrowing and/or smoothing tax bill increases
 - Interest rate risk concerns probably argue for “front loading” the borrowing

Annual Residential Tax Bill Increase for L3 Building Concept

Using FY2018 Valuations and Excluding Stabilization

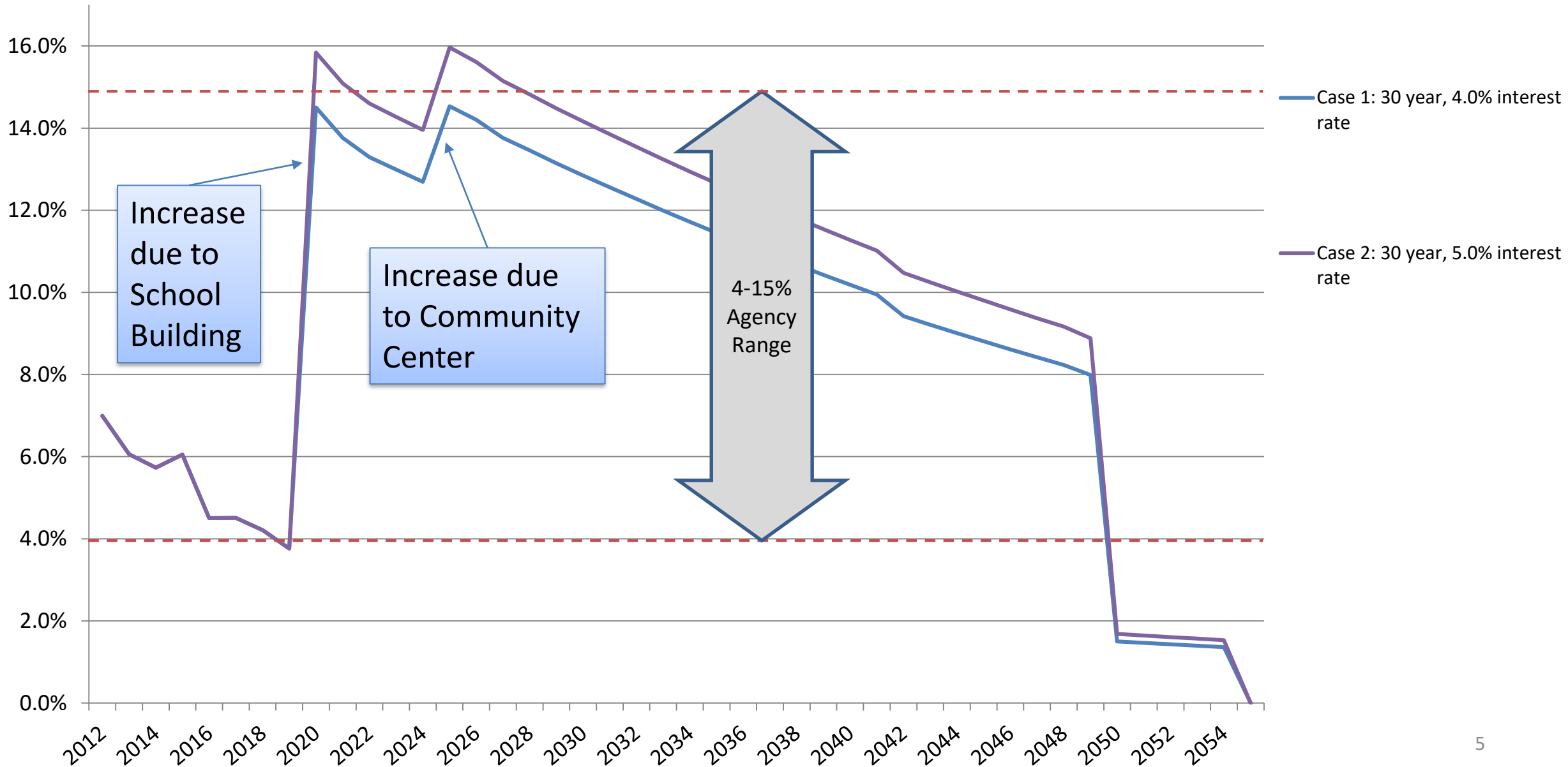
Borrowing Amount	Interest Rate	Property Value						
		\$ 500,000	\$ 750,000	\$ 997,500	\$ 1,250,000	\$ 1,500,000	\$ 2,000,000	Percentage
\$ 93,900,000	4%	\$ 1,276	\$ 1,915	\$ 2,546	\$ 3,191	\$ 3,829	\$ 5,105	18.8%
	5%	\$ 1,435	\$ 2,153	\$ 2,864	\$ 3,589	\$ 4,306	\$ 5,742	21.1%

Median Taxpayer: 2018 Tax Bill of \$13,566

Note: This “level debt” approach adds the same fixed amount to your tax bill every year of the 30 year term.

Debt Service as % of Operating Budget

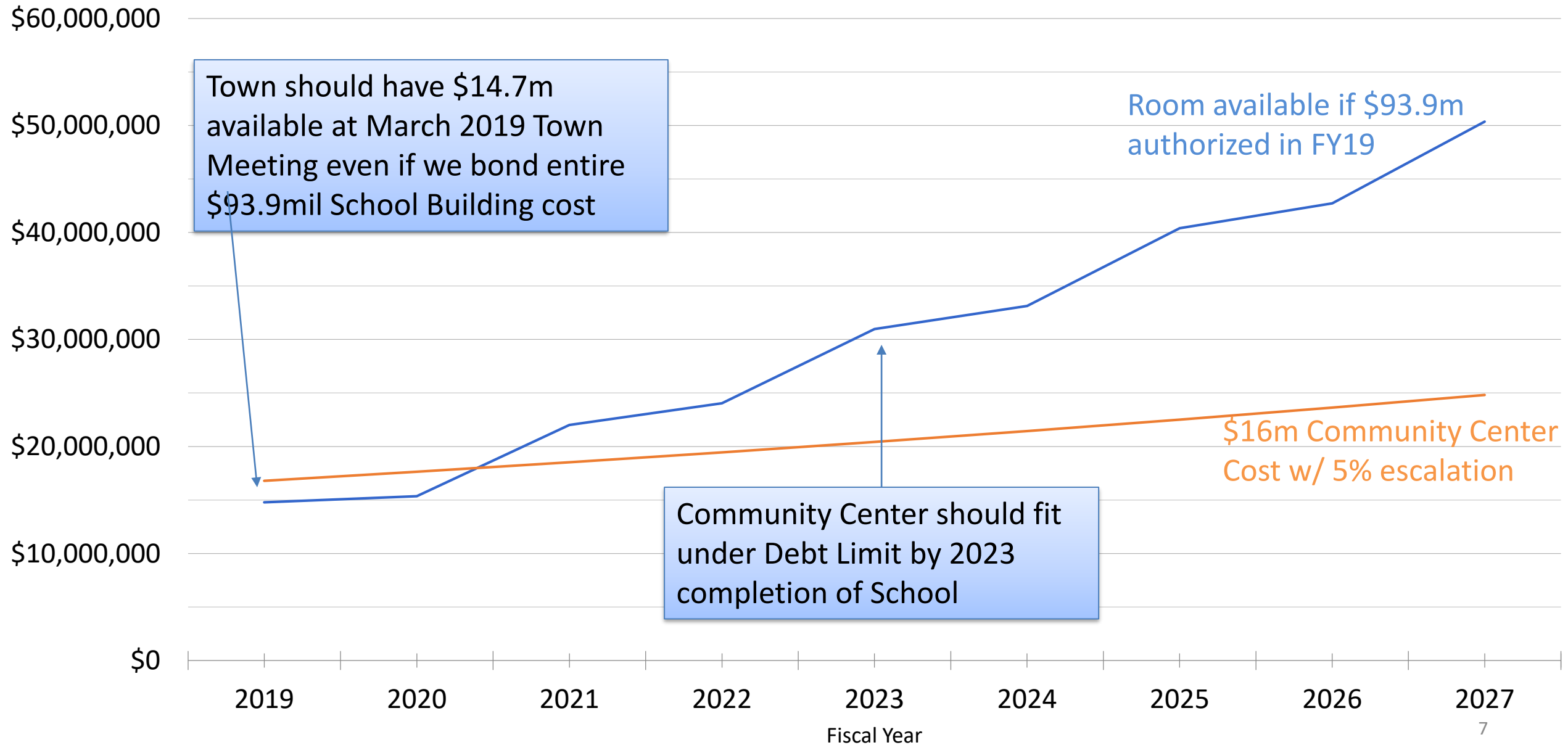
Borrow \$93.9mil in 2019 and \$20.4mil in 2024, Excluding Stabilization



Backup slides

Estimated Room Available Under 5% Debt Limit

Assuming 2% EQV Annual Growth and Excluding Stabilization



Projected Capital Expenditures 2020-2030

- Focus on items other than school building and community center
- Possible large debt exclusions:
 - FY20 Hartwell roof design+repair ~\$659,000
 - TBD Property acquisitions for conservation
- Smaller possible capital or debt exclusions:
 - FY21 LS roof ~\$300,000 (Lincoln portion)
 - FY23 Replace fire engine 1 ~\$575,000
 - FY24+ DPW roof repair ~\$250,000
 - TBD Brooks athletic field renovation ~\$400,000

Debt Service as Percent of General Fund Budget

