

Town of Canton Finance Committee
Meeting Minutes
Wednesday, January 25, 2017

Minutes Voted on: 2/13/17
Vote: 5-0-2

Members Present:

Rob Barker, Nichola Gallagher, Dianne Gustafson, Cynthia Holcombe, Stephanie Leach, Tim McKenna and Barbara Saint André.

Members Absent:

Jerry Dorfman and Cindy Thomas.

Guests Present:

George Comeau, Chair, Canton Community Preservation Committee
Lisa Lopez, Vice Chair, Canton Community Preservation Committee
Kristen Phelps, Administrator, Community Preservation Committee
Jim Murgia, Finance Director
Ellen Jones, Finance Committee Secretary

Opening: A meeting of the Canton Finance Committee was called to order by Chair Saint André at 7:03 p.m. on Wednesday, January 25, 2017 in the Salah Meeting Room of Town Hall.

A. Approval of Agenda

Chair Saint André reviewed the items on the agenda – Recommendations of the Community Preservation Committee, Operating Results as of December 31, 2016 and Initial Review of FY18 Budget Requests.

B. Announcements

There were no announcements made at the meeting.

C. New Business

Recommendations of the Canton Community Preservation Committee (CCPC) (see meeting handouts) Mr. Comeau introduced Lisa Lopez, Vice Chair and Kristen Phelps, Administrator of the CCPC. He gave a brief history of the Town's adoption of the Community Preservation Act – Canton has had the CPA for 3 years, has added approximately \$1.9 million in revenue stream with \$1.5 million collected locally. Canton has seen an approximately 20.5% of return from the state. This year it was \$108,000. Mr. Comeau stated that with the recent adoption of the CPA tax by some of the larger towns in Massachusetts, such as Boston, there could be an impact on the distribution amount to Canton.

Mr. Comeau explained the eight projects the CCPC will be recommending to the voters at ATM as follows:

Motion #5 - Rolling Mill Copper Room - \$148,975 (Historic) – This request came from the Town Planner on behalf of the Board of Selectmen. If approved at ATM, Revere Copper (an upstate New York business) would supply the materials while a local company doing the installation work. Safety precautions would be taken with the installation of roof rakes similar to the Town Hall roof. Mr. Barker inquired as to cell phone reception in the rolling mill. Mr. Comeau was uncertain as to how cell phone reception would be in the building because of the copper roof, but cell phone use may be limited because of the intended use of the building as a museum. The library was cited as a building already in town with a copper roof, and no issues have been noted with cell reception.

Motion # 3 - Library Entrance - \$35,000 (Historic) The applicant for this project is the Canton Library. The total project cost is \$51,500 but some improvements were excluded from the applicant's CPA request. The total amount requested was \$38,000. The CCPC will be recommending to ATM funding for \$35,000.

Motion #4 – Pequitside Farm Barn Architectural Study - \$28,000 (Historic) Mr. Comeau stated that the barn does not currently meet building codes for assembly (lack of sprinklers and appropriate exits). If the study is approved at ATM the project may be eligible for additional CPA funding.

Motion #6 – Rubin Court Bathroom Exhaust Fan Project - \$80,000 (Housing) Mr. Comeau stated that these housing units are all occupied by Canton residents and that the project will address mold and mildew issues in 32 units.

Motion #9 – Tilden & Devoll Playgrounds Restoration - \$401,300 (Open Space & Recreation) Of the \$420,000 requested by the Recreation Commission for this project, CCPC is recommending \$401,300 to ATM. This project would address structural and safety issues. This project came before the Capital Planning Committee last year but it was determined that it could be applied for as a CPA request the following year.

Surveillance cameras for the playgrounds were removed from the application because they were ineligible under the CPA. The cameras will be requested through the capital process.

Motion #10 – Canton Little League Restroom Facility - \$173,500 (Recreation)

Ms. Gustafson expressed concern as to who would manage and maintain the facility, specifically related to what operating budget would cover the ongoing upkeep and supplies necessary. Mr. Comeau stated that it had not been discussed at the time of the application process but that they would develop a plan before seeking funds at Town Meeting.

Motion #8 – Open Space & Recreational Plans Update - \$150,000 (Open Space & Recreation)

Mr. Comeau stated that the applicants (Conservation Commission, Recreation Commission, Walk Hike and Bike Committee and the Town Planner) had combined three separate projects into the one application. This Plan Update would include an open space & recreation plan update, a comprehensive trails plan and a landscape plan for the Earl Newhouse waterfront. This plan update would give the Town a 3-5 year plan going forward.

Motion #7 – Paul Revere Heritage Site Conservation Restriction - \$20,000 (Open Space & Recreation)

Mr. Comeau stated that the CCPC easily approved this \$20,000 request because the Community Preservation Act requires a permanent conservation restriction on all open space parcels that acquired with CPA funds. These funds would be held in escrow by a non-profit organization that will act as the “watchdog” of the land. Mr. Barker recommended that at least two entities be involved or vetted with a reliable track record. The Audubon Society and Trustees of the Reservation both declined this project. The CCPC has been in contact with two agencies that express a willingness to take on this project.

The CCPC members asked that their recommendations be included in the Finance Committee’s booklet of Recommendations to the Voters of Town Meeting. Out of \$1.149 million in projects requested for FY18, the CCPC will be recommending a total of \$1.036 million at ATM 2017.

CCPC Available Funds (see meeting handout) – Mr. Murgia provided to the Finance Committee a summary of available CCPC funds since Fiscal 2014. Mr. Murgia brought attention to the housing projects that were closed out by the CCPC on 11/28/16 leaving a balance of \$111,122.

A Finance Committee member pointed out that the chart does not indicate the amount of revenue collected through the CPS surcharge. Ms. Phelps provided the following revenue numbers collected since the passage of the CPA tax surcharge:

FY14	\$481,871 (year one the Town was not eligible to receive a state match)
FY15	\$651,594
FY16	\$673,465
FY17	\$600,000 (estimated amount to be collected for FY17)

If all projects are approved at 2017 ATM there would be a remaining balance of \$421,962.

Mr. Murgia commented that he would like to see the Department of Revenue treat the CPA fund like other funds in which there is a certification of the free cash balance at year end. Unfortunately there is no mechanism in place to access this balance except for future use by the CCPC.

The CCPC would be requesting \$30,000 for administrative expenses, the allowed percentage under the CPA law.

Ms. Saint André inquired as to why the developer or a private group had not made a \$20,000 donation for the \$20,000 Paul Revere Heritage site conservation restriction. Ms. Leach inquired if the Board of Selectmen's mitigation funds were considered as an option for funding the \$20,000.

Ms. Gustafson commented that it was beneficial to look at the progress of past projects – whether the projects had been completed or were still pending. Mr. Comeau provided a brief summary of some of the prior projects as follows:

- All Fiscal 2015 projects had been completed with two projects (Veteran's Housing) coming under budget.
- The First Parish Church Steeple and Spire Restoration from Fiscal 2016 has not been completed. The CCPC is waiting for the release of the preservation restriction from the MHC (Massachusetts Historical Commission).
- The historic structures report for the Tilden House for Fiscal 2016 has been completed. Mr. Comeau indicated that there would be an article at this year's ATM with plans to possibly lease the building to a non-profit organization.
- The 2016 Senior Housing project has been completed and under budget with a balance of \$111,122 being returned to the CPA fund.
- The Crane's Guard Militia Flag is currently at the preservationists.

Ms. Gustafson requested a reconciliation of funds spent on projects and pending projects. Ms. Gustafson expressed concern about the Tilden House, specifically the future financial implications for the Town.

Ms. Saint André thanked Mr. Comeau, Ms. Lopez and Ms. Phelps for attending the meeting.

General Fund Operating Results as of December 31, 2016 – (see meeting handout) Mr. Murgia reported that revenues for the first six months of FY17 were \$43 million or 49.9% of budget as compared to \$41.5 million or 50.4% of budget for the first six months of FY16. Expenditures for the first six months of FY17 were \$46 million or 52.5% of budget as compared to \$44.3 million or 53.4% of budget for the first six months of FY16. The actual operating deficit for the first half of FY17 was \$2.9 million.

Mr. Murgia explained that local receipts were down (34.3% of budget) as compared to last year (42.5% of budget) for the same time period. Motor vehicle excises tax receipts were down over \$200,000 from \$670,000 for the first six months of FY16 as compared to \$460,000 collected for the first six months of FY17. Building permits are down for the FY17 year to date (\$423,651) as compared to FY16 year to date (\$503,079).

FY17 Budgets that are being monitored closely include the Town Clerk/Elections budget, Trash Collection budget, Health Insurance budget and Town Insurance budget. Mr. Murgia stated that Barry Nectow had indicated to him that they had identified an extra \$60,000 in the school department budget that could be used as a transfer to supplement the Health Insurance budget.

Initial Review of FY18 Budget Requests – The Committee members had received the FY18 Budget Request budget books. At the time of the meeting, the Police Department, Fire Department, DPW and Assessing Department had been scheduled to meet with the Finance Committee at future meetings. Additional departments/committees would be scheduled to discuss their FY18 budget requests with the Committee.

D. Other Business/Open Issues

School Committee FY18 Budget – (see meeting handouts) The Finance Committee received four FY18 School Committee budget documents from Barry Nectow and Superintendent Fischer-Mueller. The FY18 School Department budget is scheduled to be discussed at the Wednesday, March 8th Finance Committee meeting.

A Finance Committee member requested that the School Committee provide information at the meeting with regard to 1) the number of new full and/or or part-time employees hired and 2) the number of employees added to the town's health insurances since last year's budget.

Cherry Sheet Preliminary Information – Mr. Murgia stated that prior to the Finance Committee meeting he had an opportunity to review preliminary Cherry Sheet information on the State's website. The Governor is proposing an approximately \$560,000 increase to Ch. 70 aid, which is more than expected. This is significant increase is due to the implementation of the full day kindergarten program. General Government Aid proposed by the Governor may increase \$80,000. Mr. McKenna had heard that Lottery Aid to cities and towns could be decreased by as much as 6%. Mr. Murgia stated that Lottery Aid was a part of General Government Aid and that this aid was scheduled to increase approximately 4%.

Liaison Assignments (see meeting handout) An updated liaison list was provided to the members.

E. Approval of Minutes


A motion made by Mr. McKenna to approve the minutes as written for December 12, 2016 was seconded by Ms. Saint André. Vote: 5-0-2. Ms. Leach and Mr. Barker abstained.

F. Next Meeting Date: The next meeting would take place on Wednesday, February 8 at 7:00 p.m. at the William Armando Recreation Center.

Adjournment: A motion made by Ms. Gustafson to adjourn the meeting at 8:40 p.m. was seconded by Ms. Gallagher. Vote: 7-0-0.

Minutes reviewed by: Nichola Gallagher

Respectfully submitted,



Barbara Saint André
Chair, Canton Finance Committee

**Town of Canton
Finance Committee Meeting – Wednesday, January 25, 2017**

List of Meeting Handouts

Please note: These meeting handouts may also be found on the Town's website under the Posted Minutes section (Laser Fiche).

Agenda (1 page).

CCPC (Canton Community Preservation Committee) Available Funds, provided by Jim Murgia, dated 1/19/17 (1 page).

Operating Results as of December 31, 2016, provided by Jim Murgia, dated 1/17/17 (8 pages).

Draft Finance Committee Minutes for Monday, December 12, 2016 (4 pages).

FY18 Superintendent's School Budget Message, provided by Barry Nectow, dated 1/5/17 (7 pages).

FY18 Preliminary School Operating Budget, provided by Barry Nectow, dated 1/20/17 (12 pages).

FY18 School Contractual Salary Obligations (Operating Budget Only) provided by Barry Nectow, no date, (1 page).

FY18 School Superintendent's Budget Request – Summary – Voted by School Committee on 1/19/17, provided by Barry Nectow, no date, (5 pages).

Finance Committee Liaison List dated 1/23/17 (1 page).