



**Canton Finance Committee  
801 Washington Street  
Canton, MA 02021**

Minutes Voted on: 2/2/22  
Vote: 7-0-0

**Meeting Minutes  
January 19, 2022**

**Finance Committee Members Present:** Dave Clough, Dan Cole, Tom Emery, Karen Foley, Emilio Mauro, Tim McKenna, Reuki Schutt and Cindy Thomas.

**Finance Committee Members Absent:** All members were present for the meeting.

**Guests Present:**

Ellen Jones, Finance Committee Recording Secretary  
Randy Scollins, Finance Director

**Call Meeting to Order:** Chair McKenna called the virtual meeting to order at 7:01 p.m.

**Discussion – Municipal FY23 Operating Budget Requests – Randy Scollins.**

Mr. Scollins stated that he had not yet received the FY23 School Operating Budget Requests and that the School Committee would be voting on the School Department budgets in two weeks.

Mr. Scollins gave a “high level” review of the FY23 municipal budget requests received to date. The following are some of the highlights:

- The total FY23 municipal budget request increase of \$1,019,056 is a 4.1% increase over the FY23 base budget.
- The total FY23 budget request of \$26,105,848 is a 6.3% increase over the FY22 voted budget.
- The FY23 staff-related requests include the following:
  - Assistant Town Planner position (\$80,000).
  - New Deputy Fire Chief of Operations position (\$119,600).
  - Part-time Veterans’ Department Assistant (\$21,200).
  - Part-time Young Adult Assistant Library (\$32,300).
  - Total new position requests: \$253,000.
- The following FY23 requests are for increased hours for existing positions:
  - Town Planner position – Title change from Town Planner to Community Director with an increase in hours from 35 to 40 hours at a cost of \$22,500.
  - Increased hours for Revere and Son Heritage Trust Corporation (RSHTC) Contractor Administrative Support \$13,300.
  - Elder and Human Services – Social Worker increase in hours from 19.5 to 35 hours at a cost of \$25,500.
  - Total increased hours for positions: approximately \$60,000.

A Finance Committee member inquired about the difference between the F22 Voted Budget amount and the column “Change from FY22 Voted Budget” is the contractual costs. These amounts are obligated costs and cannot be changed. The “Change from FY23 Base Budget requests are up for discussion and would most likely be trimmed. The contractual obligations are negotiated by the union representatives and are independent of the CPI.

In response to a member’s inquiry about the FY23 revenue estimates, Mr. Scollins stated that it would be a few weeks before the FY23 new revenue is estimated because the Town is still waiting on the Governor’s budget (which is scheduled to be released on January 26). The revenue forecast has been started but the missing piece is state aid.

Mr. Mauro inquired if the Town has been affected by labor shortages. Mr. Scollins stated that he was not versed on municipal or school positions. He stated that the Recreation Director moved on for personal reasons and the Fire Department lost a few personnel due to competitive issues related to stipends in parts of the contract.

The Revenue Forecasting Committee meeting would be on February 8 at 10:00. The revenue meeting is not a posted public meeting.

## FY23 Fixed Costs Budgets

Mr. Scollins discussed the following FY23 fixed costs budget requests:

- The total fixed costs budget of \$33,511,893 represents an increase of 4.2% or \$1.35 million over the FY22 budget. An approximately \$123,000 increase is due to an increase to the debt service budget.
- Nine projects will be going out to the bond market in six to seven weeks which will add \$3.5 million for new debt service.
- The **Norfolk County Retirement System (NCRS)** FY23 budget request of \$6,932.851 is a \$436,079 increase from FY22. Mr. Scollins reported that NCRS is on an aggressive path to be fully funded by 2030/2031. The Town's assessment is expected to dramatically drop at that time. The Town's assessment by 2029 could be \$10 million. If NCRS becomes fully funded the Town's assessment will dramatically drop by at least \$5 million. Mr. Scollins recommends that the Town use that savings towards funding Other Post-Employment Benefits (OPEB).
- With regard to the District Improvement Finance plan, the mechanism in place is to set aside funds into a sinking fund that will go to **debt service** to buy out the developer including the two buildings and land. The Town owes \$8.75 million for the project. The Town will put aside \$656,000 in FY23 as compared to \$96,000 in FY22.
- Mr. Scollins is recommending an increase of \$100,000 for the FY23 **OPEB budget** for a total FY23 budget of \$1,150,000.
- **Town liability insurance** for FY23 is a \$93,000 increase from \$1,368,849 to \$1,460,666.
- With regard to the **Trash/Recycling FY23 budget**, the recommendation is a level-funded budget. The Town Administrator negotiated separate contracts for the Town's trash (Republic) and recycling (Waste Management). For the first 6 months of FY22 the Town has seen a credit balance in the recycling budget.
- With regard to the **State Assessments and Norfolk County Tax budgets** for FY23, there are four items that will change in these budgets once the Governor releases his budget. One of those items in the state assessments is for charter schools. The trend is to carry the current budget forward but Mr. Scollins is hopeful that the Town will see some relief in this area.
- The recommended FY23 budget for Norfolk County Agricultural School is \$50,000 or a \$30,000 increase from the FY22 budget. The Town received a letter from the school regarding this contemplated 150% increase for this supplemental tuition. Mr. Scollins stated that this is an old law with regard to supplemental tuition.

## FY23 Water, Sewer and Rink Enterprise Budgets

- The **Water Enterprise** operating budget for FY23 will increase by 10.6% or \$840,000 because of new debt service projects totaling \$8.9 million.
- The **Sewer Enterprise** operating budget for FY23 will decrease by 1% or \$64,000.
- The **Rink Enterprise** operating budget for FY23 will increase 3.5% which can be attributed to chargebacks which are up approximately \$13,800. In response to a Finance Committee member's question about serving alcoholic beverages at the rink concession and income from these sales, Mr. Scollins stated that he would be surprised if a municipal building would be allowed to serve alcoholic beverages at the rink.

**Stormwater Developments** - Mr. Scollins reported that a job description for a Stormwater Operations Manager has been forwarded to the Select Board and the Town is looking to fill this position to have a dedicated manager on board to help evaluate how best to further develop a stormwater program.

**American Rescue Plan Act (ARPA)** – Mr. Scollins is waiting for the Select Board's final decision on how the funds will be used. The Town's allocation under ARPA is \$2,491,635 with an additional \$4,485,127 to be allocated from the Norfolk County Commissioners for a total of \$6,976,762. To date there have been \$6,258,287 requests made leaving \$718,475 of available funds not yet requested.

Mr. Scollins explained that there are six different buckets that the ARPA funds can be used for:

1. Public Health
2. Negative Economic Impacts
3. Services to Disproportionately Impact Communities
4. Premium Pay
5. Infrastructure
6. Revenue Replacement

There are restrictions on items 1-5 with less restrictions placed on the revenue replacement category. Mr. Scollins reviewed a 457-page document which was the final rule regarding ARPA. One of the significant changes made was the manner in which the lost revenue category was figured – the rule changed from a choice of using a formula-based rule or electing a cap of \$10 million. Most everything could go into the revenue replacement category.

There is a federal infrastructure bill in addition to ARPA. The Town is waiting for a plan from the state legislature if there is other funding that Canton could receive without using ARPA funds.

In conclusion the Town will receive approximately \$7 million in ARPA funding. To date approximately \$80,000 has been requested by the Board of Health to be used for increased hours from 19 to 35 hours for the Public Health Nurse (2 years increased wages and related benefits costs) and for Contact Tracing efforts.

**FY23 Municipal Capital Requests** – Mr. Scollins stated that the total capital requests for FY23 is \$3.4 million (both cash and debt requests) and that there is only \$1.7 million of available funds leaving \$1.7 million above the amount available.

- The \$270,000 Elm Street Downstream Retaining Wall infrastructure project could use ARPA funds.
- During Mr. Scollins and Mr. Aspinwall's capital requests review process with Town departments a common problem was apparent – price escalations faster than the Town can develop its budgets and supply chain issues.
- Mr. Scollins stated that with regard to the Town's total current debt, 80% of that is scheduled to be paid down within 10 years and that the rating agencies have commended the Town's debt profile.
- Mr. Scollins suggested that FY23 may be the year to "break from tradition" regarding debt allocation.
- In response to Mr. Clough's question about the capital request projects including electric vehicles, Mr. Scollins stated that the Town of Canton has a green vehicle policy and that unfortunately heavy-equipment vehicles may not be efficient or available as electric vehicles. Mr. Clough inquired if the Town could include 20% contingencies in case the projects were to increase in costs. Mr. Scollins stated that contingencies are used in construction projects, not in vehicle acquisitions. The Capital Committee will be reviewing all of the F23 capital requests.

**Cash Reserve Balances** – Mr. Scollins reported that the Town's reserves have accumulated to 20% of FY22 general fund budgeted expenses. The maximum use of these reserves at the Annual Town Meeting is \$5.5 million if the 15% target for general fund reserves is to be maintained.

Mr. Scollins will suggest a Town Meeting article to establish a Capital Stabilization Fund when the Select Board reopens the warrant at their next Select Board meeting. He stated that it would be prudent for the Town to start to put funds away in this account to reduce the impact of a possible debt exclusion project regarding the Galvin Middle School. The "gold standard" for the Town is to have the core or primary Stabilization Fund at 5% of the operating budget which is currently close to 10%, therefore, Mr. Scollins stated that he would not be recommending an article at this year's Town Meeting to transfer funds into the \$10 million core Stabilization Fund.

### **Master Plan Implementation Committee (MPIC)**

Mr. Mauro, the Chair of the Master Plan Implementation Committee (MPIC), presented the following information regarding the MPIC:

- A 1-page FAQ information sheet – What is the Master Plan, why it is important, what are the MPIC responsibilities and who is on the MPIC.
- The MPIC is implementing visions of what the residents might want Canton to be based on a long process (2018-2020) that resulted in the current updated Master Plan. The 26-page Master Plan Strategic Framework 2020-2025 document contains strategic areas of focus for the next five years drawn from the full multi-volume Master Plan. Among these strategic areas are goals for improving life and town services in Canton, economic issues, recreation and open space opportunities, connectivity, protecting the town and adapting to future changes.
- The target date for completion of the plan is 2035, with interval dates for manageable implementation.
- The MPIC has their own Master Plan website.
- February 2021 was their first meeting.
- Town Planner, Laura Smead, has been instrumental in organizing the Master Plan.
- Three areas of Town that have been identified as special focus areas include Canton Junction, Route 138 and the Downtown area.
- Because the Master Plan was created before COVID, there might need to be changes in the plan regarding such items as transit practices and economic development patterns.
- Mr. Mauro presented a 2-page summary of shared responsibilities between the Finance Committee and the Master Plan. Some of the responsibilities include the following:
  - Housing & Neighborhoods – consider funding for the housing trust, zoning bylaw amendments and infrastructure at the Paul Revere Heritage site.
  - Public Health and Social Well-being – consider additional staffing as needed, funding ADA improvements, look for opportunities to add space to the Senior Center and funding for pedestrian/cyclist infrastructure.
  - Town Services – consider funding or matching funds for grants, funding for software, technology opportunities and energy-efficient equipment.

- Municipal/Town Buildings – address universal design and ADA concerns and adding space to Senior Center.
- Economic Development – support staffing, offer economic incentives to encourage growth, support expansion of marketing efforts.
- Recreation – funding for trails, Pequitside improvements, ADA improvements, and Earl Newhouse Waterfront improvements.
- Transportation – implement Complete Street Prioritization, improve traffic flow and safety in certain areas, fund traffic calming measures, funding public charging stations, walking amenities, biking infrastructure, downtown infrastructure, purchasing electric or energy efficient vehicles, and shared parking arrangements for Canton Center
- Protect – opportunities to acquire, rehabilitate historic resources, placemaking, green infrastructure to meet stormwater goals and continue to maintain and upgrade municipal water supply infrastructure and capacity.

Mr. Mauro is hoping to provide an MPIC report to the Annual Town Meeting possibly under Article 3 (Hear Reports of Committees). He also added that he hoped that the Master Plan recommendations will routinely be considered throughout upcoming budget cycles when decisions are being made.

Mr. Clough has noticed that surrounding Towns have articles on their warrants for establishing District Improvement Financing (DIF) areas in their Towns. Mr. Scollins stated that there would not be a DIF article at this year's Town Meeting but it does have to be approved at a Town Meeting. Mr. Mauro noted that the Town Planner is seeking a MassDevelopment technical assistance grant for the development of a Route 138 DIF district and that some upcoming zoning articles regarding the corridor will help improve the Town's chances of being awarded the grant in a future state grant cycle, perhaps as early as next year. In addition to the Planning Department, the Select Board and Economic Development Committee would have to be among those involved in the process.

Chair McKenna agreed that for the Master Plan to work it would have to have a framework in mind as articles and capital requests are considered and debated. Chair McKenna does not have an answer for Mr. Mauro regarding a report of the MPIC being presented under Article 3 but he would reach out to Town Counsel and the Moderator.

Mr. Scollins stated that the Fire Chief has mentioned the idea of a third fire station and Mr. Mauro confirmed that exploring a third fire station was within the objectives of the Master Plan.

**Liaison List:** Chair McKenna inquired if there were any members interested in serving as the alternate liaison to the Capital Planning Committee (CPC). Mr. Mauro is the primary liaison to the CPC. Ms. Schutt had to refrain from being the alternate liaison because she has a relative serving on the Capital Planning Committee as well as a relative on the Board of Health. Mr. Cole volunteered to serve as the alternate liaison to CPC. Mr. McKenna volunteered to serve as the liaison to the Board of Health.

Mr. Clough asked if there was any update with regard to the St. Gerard's acquisition. Mr. Scollins stated that the parties are still negotiating and at that time that was all he could share for information.

**Approval of Minutes:** There were eight sets of minutes submitted for approval. Of the eight sets of minutes, five were for Executive Session minutes related to the St. Gerard's real estate acquisition. Mr. Scollins was advised by Town Counsel that the Finance Committee could vote to approve the Executive Session minutes but should not release the minutes until the St. Gerard's acquisition has been completed.

**Next Meeting Date:** The Finance Committee will be meeting on Wednesday, January 26, 2022. Mr. Scollins stated that he would be presenting all of the budgets that are prepared by him. He further explained that over the next two weeks he and the Town Administrator, Charlie Aspinwall, would be meeting and reviewing budgets with department managers.

The Revenue Forecasting Committee would be meeting on February 8, 2022 at 10:00 a.m. to discuss and vote on revenue estimates for FY23. The Recording Secretary will send meeting invites to participants.

The Annual Town Meeting would take place on May 9, 2022 at 7:00 p.m. at the Canton High School. Mr. Scollins was recently notified by Town Counsel that there would not be an Annual Town Meeting warrant article with regard to Shephard's Pond for weed control nuisance. This request would be submitted as part of the Conservation Commission budget under a maintenance line item.

A motion made by Ms. Schutt to adjourn the meeting at 8:43 p.m. was seconded by Mr. Clough.

**Roll Call Vote:**

Mr. Clough	Aye	Mr. Mauro	Aye
Mr. Cole	Aye	Ms. Schutt	Aye
Mr. Emery	Aye	Ms. Thomas	Aye
Ms. Foley	Aye	Mr. McKenna	Aye

The motion to move into Executive Session passed 8-0-0.

Minutes reviewed by: Tom Emery

Respectfully submitted,



Timothy McKenna  
Chair, Canton Finance Committee

**Canton Finance Committee Meeting  
Meeting Documents  
January 19, 2022**

**Please note: Some meeting documents may be found on the Town's website under the Posted Minutes section (Laser Fiche).**

Agenda for January 19, 2022 (1 page).

FY23 Municipal Operating Budgets (1/3/22 requests), dated 1/11/22. (2 pages).

Fixed Costs and State and County Assessments dated 1/11/22 (1 page).

Water, Sewer and Rink Enterprise Fund Operating Budgets dated 1/11/22 (1 page).

Cash Reserve Balances dated 1/14/22 (1 page).

Municipal Capital Requests for Fiscal 2023 dated 1/14/22 (1 page).

Capital Capacity Planned Use (1 page).

Canton Master Plan Implementation Committee FAQ (1 page).

Finance Committee and Master Plan Share Priorities (2 pages).

Canton Master Plan 2035 – Strategic Framework 2020-2025, dated May 6, 2021 (26 pages).