



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

Minutes Voted on: 7/7/21
Vote: 6-0-1

**Meeting Minutes
April 14, 2021**

Finance Committee Members Present: Rob Barker, David Clough, Dan Cole, Emilio Mauro, Tim McKenna, Reuki Schutt, Tom Theodore, Cindy Thomas and Wai Wong.

Finance Committee Members Absent: All members were present. (One vacancy on the Committee.)

Guests Present:

Ellen Jones, Finance Committee Secretary
Gene Manning, Board of Assessors and Chair of the Economic Development Committee (EDC)
Randy Scollins, Finance Director

Opening: Chair McKenna called the virtual meeting via Zoom to order at 7:00 p.m.

Approval of Agenda: Mr. Scollins reviewed the agenda. Mr. Manning was invited back to the Finance Committee at the request of the Finance Committee members to answer questions regarding Article 28 (Special Tax Agreement with Emergent BioSolutions).

New Business

Article 28 – Special Tax Agreement with Emergent BioSolutions

Mr. Manning stated that he has been in contact with the Select Board who are the sponsors of Article 28. They have requested that Mr. Manning obtain a capital timeline for the project. Emergent has committed \$50 million to the project. They expect to be financing/bonding the project and will be meeting with the Zoning Board and Planning Board and various Canton committees to review the project. Once Mr. Manning obtains details and shares this with the Select Board he will then share this with Chair McKenna. Mr. Clough apologized for some technical difficulties he was having with joining the Zoom meeting.

Mr. Clough had the following questions and comments regarding the Special Tax Agreement:

- Some of the year over year increases, in particular years 2023 and 2025 go up over 10%.
- In the assumptions presented in Mr. Manning's spreadsheet the owner could apply for potentially more tax breaks on the assessed value which could lead to a greater amount than the \$323,000 presented in the assumption. Mr. Manning explained that in the assumptions the property value would increase year over year. Mr. Manning is expecting a capital timeline for the project so that they will be able to give the Board an idea of when to expect the values.
- The building was assessed in 2019 at \$4 million. Emergent BioSolutions purchased the building in July 2020 for \$11.9 million which will remain the value until significant capital improvements occur. Mr. Manning does not expect the value of the building to increase beyond the STA if adopted by ATM which is 2026 or 2027. Mr. Manning will share the capital timeline with the Finance Committee once it has been received. He has assured the Finance Committee that every property in Canton is valued annually for its valuation. The primary building and the land value are what the Town taxes are based on. There will be additional tax valuation on personal property which is the contents of the building which is the "lion's share" of what the taxes will be. The core value of the building is a little over \$11 million but they expect the bio tech manufacturing in the building which is classified as personal property is not included in the 10% cap to where the Town will make their money back.
- Mr. Clough is concerned what the building is valued at. With \$75 million being invested in the building it will not be reflected in the assessed value but will be reflected in personal property. Mr. Manning believes the amount being invested in the building is \$50 million.
- Mr. Manning stated that the Board of Assessors receives STAs to consider. For a Town of Canton's size the Emergent BioSolutions project is a significant commercial infrastructure investment. Mr. Manning will get back to the Finance Committee once he receives the capital plan to clarify if the amount being invested in the building is \$50 million or \$60 million or \$75 million. Regardless of the value Mr. Manning stated that the Board of Assessors have full intention of recovering the full value under the STA and for years to come.
- In response to Mr. Clough's inquiry if there were any projections Mr. Manning stated they did not do projections because the tax rate is set every year.

- Mr. Clough is under the impression that Emergent BioSolutions will be receiving a bigger tax break based on the assumptions. If they were to sell the property to another company they would pay double in real estate tax commissions.
- The savings under the STA is \$323,000 based on the current valuation of the building. Mr. McKenna believes that the Town would go about their valuations on the property similar to other valuations for properties in Town, even with the STA in place. Mr. McKenna stated that the STA is a specific agreement whereby Emergent will save on taxes for a specific period of time but it will not impact the long-term revaluation on the property.
- Mr. Clough is under the impression that once the STA is over the value of the building will only go up by 3% as per the schedule provided by Mr. Manning. Mr. Manning was trying to provide a benchmark on the spreadsheet and indicator of what commercial properties have been increasing year over year.
- Mr. Clough stated that the Town could be receiving a lot more in tax revenue. Emergent BioSolutions started talking with the Town about the STA before purchasing the building.
- Mr. McKenna stated that he wanted to make sure that information contained in the dissenting opinion for the Article was accurate.
- The building at 80 Shawmut Road has been vacant for many years. Any vacant building is entitled to an abatement according to state law. Mr. Clough provided an example of the Spear Capital Group which was given a million dollar tax break on the former Reebok site and then they flipped the building for double the price. Mr. Manning stated that Spear Capital was an investment company and the former Reebok building was vacant for over a year and they were entitled to an abatement on the property as well as an appeals process. The incentive for the former Reebok building was that the Town and Harvard Pilgrim/Tufts put together a very successful 30-year PILOT agreement which is the highest 84% payment of valuation which is the highest in the Commonwealth of Massachusetts ever.
- Mr. Clough inquired about Amazon coming to Canton in a building on Dan Road. Mr. Clough stated that the Town of Braintree recently received \$1.3 million for infrastructure improvements and why was the Town of Canton not receiving something similar. Mr. Manning stated that 300 Dan Road was owned by Pollard Engineering who left the building in 2019 to move operations to its other facility in Pennsylvania. Amazon approached the Town. They will be making slight modifications to the building but are not touching infrastructure. The Town negotiated with them on incentives for the schools and existing businesses. Amazon would be hiring 100 new employees and would be working Canton on the hiring process.
- Mr. Clough is concerned that the Town is letting the corporations that come into Canton control what they can give back to the Town with regard to owners giving policy and how it falls within their corporate policy.
- Amazon will be working with the Select Board and Town Planner with regard to traffic signals at the 138 intersection.
- Mr. Clough thanked Mr. Manning for continuing the discussion.
- There is no tax agreement with 50 Shawmut Road. Emergent is leasing the building. They purchased 80 and 90 Shawmut Road. Emergent will be terminating the lease on 50 Shawmut Road.

Article 3 – Hear Reports of Committees Appointed at Prior Town Meetings – At a recent ATM planning meeting Moderator Alan Hines asked committees to present their reports in advance of ATM. Mr. Manning will send the Economic Development Committee (EDC) report to the Finance Committee Secretary and will be available to attend a future Finance Committee meeting to present the EDC report. Ms. Thomas commented that the by-law requires the Committees to present their reports to the Finance Committee but that there has been no further explanation from the Moderator regarding the reports.

Article 2 New Motion #4 – This is a new motion that would specify how many voters will be needed at ATM to place a hold on an article in the Consent Agenda. This was similar to last year's Town Meeting which required seven or more voters to place a hold on an Article in the Consent Agenda. Mr. Barker asked for a point of clarification in that historically it was only one voter that was required to place a hold on an article. Historically in normal times this is the case but the thought processes this year was to expedite Town Meeting given the present circumstances with COVID.

A motion made by Mr. Mauro that the Finance Committee recommend Article 2 Motion 4 which would require seven or more voters to place a hold on any item within the Consent Agenda for 2021 Annual Town Meeting was seconded by Ms. Thomas.

Mr. Mauro inquired if there was a range for the number of voters to place a hold on an article in the Consent Agenda. Chair McKenna stated that it was the suggestion of Town Counsel that it be more than a couple but less than ten so as not to make it too onerous for voters. Chair McKenna believe that if things return to somewhat normal next year it would revert back to one voter to place a hold.

Roll Call Vote:

Mr. Barker	Aye	Mr. Clough	Aye
Mr. Wong	Aye	Ms. Thomas	Aye
Mr. Mauro	Aye	Mr. McKenna	Aye
Mr. Cole	Aye		

The motion passed 7-0-0.

Article 3 – Hear Reports of Committees Appointed at Prior Town Meetings – The Finance Committee Secretary reported that she had emailed Stacey Gorman of the Community Preservation Committee and Jen Fischer-Mueller of the Canton Alliance Against Substance Abuse but had not heard back from them. Ms. Jones will reach out to these committees again to request their reports and schedule a presentation to the Finance Committee. Mr. Manning will attend the Finance Committee next week to present the report of the Economic Development Committee.

Article 7 Motion 2 - Removal from Motion the Elected Officers that have \$0.00 Salaries – Mr. Scollins had asked Town Counsel if the elected officials with zero salaries could be removed from Article 7 Motion 2 and Town Counsel stated that they could be removed. The zero salaries include elected officials from the Planning Board, School Committee and Library Trustees. The current presentation of these zero salaries is a bit “antagonistic” with pointing them out with zero salaries alongside others that have a salary.

Mr. Barker believes the disparity between salaries and non-salaries is a ridiculous oversight and that the Board of Assessors and Select Board does anything more than the School Committee does and that the right answer would be to give everyone salaries or give no one salaries. It does not benefit the Town for those that receive such a small salary are then allowed to be placed on the Town’s medical and dental benefits.

Ms. Schutt joined the meeting at approximately 7:50 p.m. Ms. Thomas stated that Ms. Schutt has volunteered to do research so the Finance Committee could put forth a motion in the future with research and information that would serve as back up to the motion. This would be a motion similar to how other Towns might be addressing salaries for their elected officials. Ms. Schutt was uncertain if the Finance Committee or the Select Board would make the final recommendation to a future Town Meeting.

A motion made by Mr. Mauro to reconsider a previous vote taken for Article 7 Motion 2 was seconded by Mr. Wong.

Roll Call Vote:

Mr. Barker	Nay	Mr. Cole	Nay
Mr. Wong	Aye	Mr. Clough	Nay
Ms. Schutt	Aye	Ms. Thomas	Nay
Mr. Mauro	Aye	Mr. McKenna	Aye

The motion to reconsider Article 7 Motion 2 failed 4-4-0.

Article 4 – Consent Agenda – Discussion – The existing articles included in the Consent Agenda include 5, 6,12,13,14, 18, 20, 21, 22, 24, 27, 33 and 34. The Finance Committee was asked to consider adding additional articles to the Consent Agenda: 7, 8, 9, 10, 15, 23 and 29 as suggested by the Town Moderator.

Mr. Scollins reported that at the pre-ATM planning meeting there were two extremes with regard to the Consent Agenda that were discussed. The first suggestion by Town Counsel was to put all articles into the Consent Agenda and if there are articles that voters wished to take out they could put a hold on the article. This would make Town Meeting more efficient. Then there was discussion at the pre-ATM planning meeting about adding 7, 8, 9, 10, 15, 23 and 29 to the Consent Agenda. Chair McKenna gave his opinion that including all articles in the Consent Agenda was a little extreme and was not in favor of this option. Ms. Thomas and Mr. Mauro spoke against putting all the articles in the Consent Agenda as well because it would send a negative message to the voters of trying to rush things through Town Meeting.

Chair McKenna stated that the Finance Committee could review the articles one by one that Town Counsel had suggested. Mr. Scollins gave a review of the following articles that Town Counsel suggested adding to the Consent Agenda.

Article 7 Motions 1 and 2 – Set Salaries of Elected Officers – Ms. Schutt stated that this article should be transparent for Annual Town Meeting and should not be added to the Consent Agenda.

Article 8 – Pay Bills of Prior Fiscal Year – Article 8 would be left out of the Consent Agenda for transparency reasons. Mr. Scollins stated that if this article is voted on separately it would require a vote by a 7/10 vote. If it were not passed the bills would not be paid. If this article was brought forth at a Special Town Meeting a vote of 9/10 would be required for it to pass. There was agreement among the Committee not to add Article 8 to the Consent Agenda. Per the law the Town is not allowed to pay a prior year bill under the current year appropriation.

Article 9 – Adjust Fiscal '21 Accounts – The Moderator suggested that Article 9 be added to the Consent Agenda. This adjustment would “cure” the deficit in the Snow and Ice budget with an appropriation of \$200,000. It was not in the original list for the Consent Agenda. Article 9 would require a majority vote of Town Meeting. The Committee decided to leave it out of the Consent Agenda. Mr. Scollins reported that last year the Snow and Ice budget turned back approximately \$200,000 to the general fund. Mr. Cole commented that the amount of the \$200,000 was significant enough that he was not in favor of adding it to the Consent Agenda. Article 9 was not added to the Consent Agenda.

Article 10 – Authorize Certain Revolving Funds – This is a two-part article. Motion 1 would change the spending authority from the Paul Revere Heritage Committee to the Revere & Son Heritage Trust Corporation and Motion 2 would set the spending limits for various revolving funds for FY22. The Moderator suggested Article 10 be added to the Consent Agenda. The Conservation Wetlands Protection Fund is not a revolving fund and would not be included in Article 10 Motion 2. By state law the Conservation Commission is allowed to separate out wetland fees into a fund that the Conservation Commission controls. Article 10 would not be added to the Consent Agenda.

Article 12 – Accept Laws Enacted by the General Court – Article 12 is on the original Consent Agenda list. This particular law that Town Meeting would be asked to re-adopt would correct deficiencies in the original Other Post Employment Benefits law that was adopted by the Town at a prior Town Meeting. Mr. Scollins stated that the Municipal Modernization Act that was passed in 2016 with regard to the OPEB law was determined to be defective. Cities and towns that adopted the original law are encouraged to adopt the corrected version so that the funds that are being saved for OPEB could not be raided for other purposes. This is a protection of these funds so it is truly a trust fund. A suggestion was made to include information in the discussion. Article 12 would remain in the Consent Agenda.

Article 14 – Insurance Proceeds greater than \$150,000 – Leave in the Consent Agenda.

Article 15 – Vote to Rescind \$7,980,000 of Unused Borrowing Authorizations – Leave in the Consent Agenda.

Article 18 – Increase Solar Stabilization Fund – Leave in the Consent Agenda.

Article 20 – Appropriate Proceeds from TNC Ride – Leave in the Consent Agenda.

Article 21 – Home Rule Petition Relative to Police Officers – Article 21 will allow Canton to use retired police officers of other towns for details. Mr. Cole will add language to the discussion regarding the shortage of police officers. Leave in Consent Agenda.

Article 22 – Acquire Easement 145 Sherman Street for Drainage – Leave in the Consent Agenda. Mr. Scollins was not aware that it was known that the Town would need funding. The Town Administrator explained to him that it could be easily acquired with something as simple as a dollar.

Article 23 – Acquire Easement and Right of Way for 110 Pleasant Street – There is an appropriation of \$15,000 for this article. This was not in the original Consent Agenda and was suggested by the Moderator to be added to the Consent Agenda.

Article 24 – Removal of Weeds & Nuisance Vegetation at Old Shephard's Pond – Ms. Thomas suggested adding to the discussion that other funds (Conservation Wetlands Funds) have been identified to pay for the removal of weeds. Leave in the Consent Agenda.

Article 27 – Transfer of Hats to American Legion Post 24 – Leave in the Consent Agenda.

Article 29 – Acceptance of Gift of Land from Topgolf – The Moderator suggested that Article 29 be added to the Consent Agenda. This article is to have Town Meeting accept two undevelopable wetlands along with a strip of land to be used for an intersection/traffic light. Article 29 would be added to the Consent Agenda.

Article 33 – Accept Bazin Lange as a Town Way and Article 34 – Accept Magnolia Way as a Town Way – Both of these roads are not ready to be accepted by the Town. Leave in the Consent Agenda.

Article 4 - Consent Agenda – Mr. Scollins stated that the suggested list for the Consent Agenda would be: 5, 6, 12, 13, 14, 15, 18, 20, 21, 22, 23, 24, 27, 29, 33 and 34.

Article 7, 8, 9 and 10 will not be included in the Consent Agenda with clarifications needed for Articles 12, 21, 22, 24 and 29. These articles will not be included in the Consent Agenda and will need more information in the discussions.

A motion made by Mr. Barker to recommend to Town Meeting that Articles 5, 6, 12, 13, 14, 15, 18, 20, 21, 22, 23, 24, 27, 29, 33 and 34 be included in the Consent Agenda was seconded by Ms. Schutt.

Roll Call Vote:

Mr. Barker	Aye	Mr. Cole	Aye
Mr. Wong	Aye	Mr. Clough	Aye
Ms. Schutt	Aye	Ms. Thomas	Aye
Mr. Mauro	Aye	Mr. McKenna	Aye

The motion passed 8-0-0.

Mr. Scollins stated that it takes one vote to approve the Consent Agenda but it takes seven voters to remove an article from the Consent Agenda. The Moderator will need to provide clarity to Town Meeting. Mr. Scollins will reach out to the Moderator for further clarification.

Clustering of Articles – There was discussion at the pre-ATM meeting for clustering articles. The Finance Committee does not vote the clustering of articles. The Moderator makes the decision on articles to be clustered.

Discussions for the Finance Committee's Recommendations – Committee members will send their discussions to the Finance Committee Chair.

Approval of Minutes – A motion made by Mr. Mauro to accept the meeting minutes for April 7, 2021 as written was seconded by Ms. Thomas.

Roll Call Vote:

Mr. Barker	Aye	Mr. Cole	Aye
Mr. Wong	Aye	Mr. Clough	Aye
Ms. Schutt	Aye	Ms. Thomas	Aye
Mr. Mauro	Aye	Mr. McKenna	Aye

The motion passed 7-0-1.

Next Meeting Date – The next Finance Committee meeting will take place on April 21, 2021 via remote. A meeting will also be held on May 12, 2021 from 7-9 p.m. The May 12th meeting will be a posted meeting and is an informational meeting for the public for the review of articles. The Annual Town Meeting will take place on May 22, 2021 at 12:30 p.m. at the Memorial Field at the Canton High School.

Mr. Cole asked Mr. Scollins to update the revenue reports.

Adjournment - A motion made by Mr. Barker to adjourn the meeting at 9:33 p.m. was seconded by Ms. Schutt.

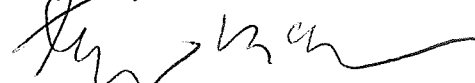
Roll Call Vote:

Mr. McKenna	Aye	Mr. Mauro	Aye
Ms. Thomas	Aye	Ms. Schutt	Aye
Mr. Clough	Aye	Mr. Theodore	Aye
Mr. Cole	Aye	Mr. Wong	Aye

The motion passed 8-0-0.

Minutes reviewed by: Dan Cole

Respectfully submitted,



Timothy McKenna
Chair, Canton Finance Committee

**Canton Finance Committee Meeting
April 14, 2021**

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

Agenda for April 14, 2021 (2 pages).