



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

Minutes Voted on:
Vote:

**Meeting Minutes
April 21, 2021**

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

Finance Committee Members Absent: Rob Barker

Guests Present:

Ellen Jones, Finance Committee Recording Secretary
Gene Manning, Board of Assessors member and Chair of the Economic Development Committee
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 items on the agenda which included the Finance Committee hearing the annual reports of committees appointed at prior town meetings.

New Business

Article 3 – Hear Reports of Committees Appointed at Prior Town Meetings

Mr. Manning presented a very detailed Economic Development Committee (EDC) 2021 Update with a PowerPoint Presentation (see meeting documents). The highlights of Mr. Manning's presentation included the following:

- EDC is an eight-person committee appointed by the Select Board. The EDC works with local businesses and the Select Board to provide an aggressive and engaged economic development platform for the Town.
- Emilio Mauro, also on the Finance Committee, is a member of the EDC.
- Three major projects that developed during the current fiscal year were:
 - 1) The sale of the Reebok/Adidas Campus to Tufts/Harvard Pilgrim Health Care,
 - 2) Amazon's selection of Canton for a regional site, and
 - 3) Trillium Brewing Company's acquisition of 110 Royall Street.
- Canton is known as a very friendly business community.
- Mr. Scollins stated that earlier in the day the bond rating review took place and he was able to leverage all of the great work the EDC has been doing and these results were well received by the rating agency.
- Mr. Manning reviewed the impact of economic development on Canton. Business taxes contributed \$28 million in taxes in FY2020, which is 33% of the Town's revenue. Canton is one of the top Norfolk County communities with regard to the highest percentage of commercial taxes generated in relation to total tax revenue.
- A slide presented a comparison of the commercial/industrial tax as a percent of total levy in selected Norfolk County Municipalities. Canton was the highest on the shown list with 32% (as compared to Dedham: 26.7%, Stoughton: 24.4%, Quincy: 20.4%, Randolph: 16.7%, Sharon: 5.3%, and Milton: 3.5%).
- Article 28 – Mr. Manning stated that he inserted a slide regarding Article 28 but that he would address the article in more detail when it is addressed at ATM.
- 18-21 Scholarships will be offered to high school students in 2021 by Canton businesses. Canton Association of Business and Industry (CABI) has donated over \$2 million to Canton charities.
- Mr. Manning noted some of the over 150 top companies located in Canton. Dunkin Brands and Trillium Brewing Company are among the many businesses headquartered in Canton.
- Amazon's regional distribution center will be located at 300 Dan Road, which is part of the Canton Commerce Center. Pollard Engineering (a manufacturing company of small LED light bulbs) left Canton in 2019 and laid off approximately 120 people to combine their facility with its North Carolina facility. The building has been vacant for almost two years. Amazon is doing renovations to 300 Dan Road that were approved by the Zoning Board and the Conservation Commission. The location will be a regional delivery hub with approximately 150 vehicles for which Canton will receive the excise tax. Amazon will have a hiring day in which they will hire 80-100 employees. They are currently working with the Select Board on a

backpack program to assist the Canton Public Schools. Amazon is paying full taxes on the property with no abatements.

- Adidas/Reebok moved to the Seaport District of Boston and left in the last year of a 20-year Tax Increment Financing (TIF) agreement. The Town would have then collected 100% of the tax rate for its valuation. The property was sold to Spear Street Capital Group (an investment group that invests in large suburban business developments). A deal was made with Tufts/Harvard Pilgrim, a 501(c)(4), (see meeting documents) to purchase the property from Spear Street Capital in July 2020 and a Payment in Lieu of Taxes (PILOT) agreement was concluded by the Town with the new not-for-profit owner.
- The Select Board approved the liquor license for Trillium Brewing Company at 110 Royall Street. Trillium will also have a 150- seat restaurant. Once Trillium moves to 110 Royal Street permanently, they will be vacating two leased properties on Shawmut Road. The buildings will still have property owners that will continue to pay taxes. Trillium may use one of the buildings for storage space but will most likely move those operations from Shawmut Road to Royall Street.
- The strong commercial tax revenue results in a relatively low residential tax rate in Canton.

Chair McKenna stated that the Moderator may reach out to Mr. Manning regarding any presentation at ATM.

Mr. Scollins reported that the Finance Committee did receive two other reports from the Community Preservation Committee and the Canton Alliance Against Substance Abuse. Representatives of those committees were unable to attend the Finance Committee meeting. The reports were distributed to the Finance Committee members. Chair McKenna stated that it will be between the Moderator and the Chairs of those committees to decide on how a report will be made to Town Meeting.

Article 4 - Consent Agenda and Article 2 Motion 4 – There was a Motion 4 under Article 2 stating, “That in connection with the Consent Agenda a hold may be placed on any article by any seven (7) or more voters”. There was a question as to whether or not this was actually voted and it was 7-0-0 to approve. The Consent Agenda as Article 4 was voted unanimously by the Finance Committee. Mr. McKenna questioned if Article 2 Motion 4 was in conflict with another provision regarding holds. Ms. Thomas stated that there was a question if one person objected to an item in the Consent Agenda. Mr. Scollins stated that he did discuss this with Town Counsel (Mr. DeRensis) who stated to him that a unanimous vote on the consent agenda was not required. The only vote that is required is the quantum of vote that would normally be required for these articles to be approved (examples: one-half or two-thirds). Mr. Scollins reviewed the articles contained in the Consent Agenda and did not see a requirement of a supermajority vote on any of these articles. He expects at the next pre-Town Meeting discussion that it would be reviewed as to the quantum of vote for each of these articles, not just the Consent Agenda, but for each article.

Ms. Schutt stated that the previous rule for pulling an article from the consent agenda at Town Meeting was one voter. Because of COVID-19 last year, the seven (7) person rule was added and this rule would be added for this year as well. There was some discussion about the by-law containing the rule that one voter could ask for a hold on an article in the Consent Agenda.

Ms. Thomas stated that it was her understanding that the seven-person hold rule was just for this Town Meeting due to COVID-19 circumstances but that Town Counsel would be the best person to confer with on this subject. Mr. Scollins stated that the Moderator has broad discretion at the Town Meeting, which allowed for this rule to be in place at last year’s Town Meeting. It would be clarified at the next pre-ATM meeting.

Final Review of the Finance Committee’s Report and Discussions

Article 7 – Set Salaries of Elected Officials – Ms. Thomas commented that there should be consistency with the motion and the discussion with regard to the use of the word “salaries”.

Mr. Clough inquired if there was a vote to keep the zero salaries of elected officials in the article. The vote was 4-4, so the zero salaries would be added back into the motion.

Article 21 – Home Rule Petition Relative to Retired Police Officers – The Committee wanted to remove the word “Canton” from the article but it was necessary to leave it in to show the change that was being made to the home rule petition by showing what would be struck from the existing language.

Article 7 – Mr. Mauro mentioned that possibly discussions with language should mirror the motion language.

Cover Page of Recommendations – Mr. Cole inquired as to the \$121.9 million on the cover of the report in comparison to the \$125.3 million in the Summary of Revenues and Expenditures exhibit that is on page 20 of the Recommendations Report.

Mr. Scollins will look into this and report back to the Committee via e-mail. He believes it may be other monetary articles, insurance proceeds, special appropriations, CPA, and debt service.

Article 16 – Appropriate to Increase Special Education Reserve Account (Schools) – The Committee did not have any issues with the discussion for Article 16.

Mr. Scollins explained that previously unappropriated general fund receipts means that this is state aid that the Town did not appropriate back in June 2020 because of the uncertainty of what state aid would be for the fiscal year, so the Town reduced its expectation of state aid by \$1 million.

Ms. Thomas requested that the phrase of “providing special education services to students” in the school be used instead of the term “SPED”.

Article 28 – Special Tax Agreement with Emergent BioSolutions Discussion – Mr. Clough wrote the minority discussion for this article. Chair McKenna and Mr. Clough have discussed the minority discussion. Chair McKenna stated that he still has a concern about the narrative in the second paragraph, which states, “a building that should have an assessment far above \$13.7 million will only increase 3% by the end of this agreement and therefore the tax break will be greater than \$323,000”.

Mr. Clough stated that as the liaison to the Board of Assessors he did have a discussion with the Assessor and was told that improvements to the building will be captured in 2023 and 2024. In addition to that, the owner is most likely going to apply to be a manufacturer. If that happens, the Town will lose out on any personal property taxes when a business is classified as a manufacturer. Mr. Clough stated that the company had paid about \$74,000 for personal property taxes for the quarter. The Town, he added, could lose out on that revenue.

Chair McKenna stated that Article 28 was a very specific article that focused on a special tax agreement and that it may not be the time to go into a discussion about assessments whether it is real property or personal property and what those assessments would be.

Mr. Clough stated that after speaking with the Assessor (Carolyn Floyd), his understanding that the assessment is based on Paul Capino’s assessment and that adding that second floor would only add about \$2 million to the assessment.

Chair McKenna stated that the laws and rules on assessments and valuations and whether a taxpayer applies for certain exemptions or appeals are tools available to all taxpayers. He added that if the Committee addressed that in the middle of an article on a Special Tax Agreement that it could create the impression that this particular taxpayer is getting a deal that might be available to them but not available to any other taxpayer in the Town of Canton.

Mr. Clough asserted that a Special Tax Agreement is not available to any other resident in the Town. The valuation of the building is going to be significantly higher. The savings on personal property taxes could be well into the millions if they change to a manufacturer exemption.

Chair McKenna stated that it is his feeling that it is not relevant to the Special Tax Agreement because any taxpayer designated as a manufacturer would have this exemption.

Ms. Thomas clarified that the manufacturer exemption could happen regardless of the Special Tax Agreement. Ms. Thomas respects the importance of providing the minority discussion with a different opinion but also noted the need to stick with the conditions of the article and that there are other related implications that could happen if there was no Special Tax Agreement.

Mr. Clough also addressed the assertion that Canton residents are to be employed but he observed that nowhere in the Special Tax Agreement does it state that condition specifically. Mr. Clough thought there should be a motion to specifically state that Canton residents would be given 33% of the created jobs. Ms. Thomas is in support for a preference of hiring Canton residents but recognized that it is complex for the types of jobs available and the pool of residents available. It would be complicated to require an employer to hire a certain quota of residents rather than only asking that an employer demonstrate a preference for those residents.

Chair McKenna stated that there is a reason why the Town has an Economic Development Committee and that the Finance Committee is not a negotiator in this deal.

Mr. Mauro stated that companies have to be pragmatic in their hiring practices and, in the past, there have been efforts to have job fairs to promote the hiring of local residents. He added that some of these hiring requirements, if they are too strict in the agreement, may not be able to be fulfilled. To the point of the assessed value of the property, he noted that is something that the Board of Assessors are responsible for completing rather than the

Finance Committee being able to recommend “one way or the other” how a specific property is assessed. While Special Tax Agreements are not made available to all, everyone can apply for an abatement for a hardship or can dispute the value of their property. There is a process available to all in town.

Ms. Thomas stated that the question at this point is how to get the minority discussion to a place that it represents the reservations that Mr. Clough has with the project but at the same time is aligned with what the role of the Finance Committee is and accurately reflects the specifics of the article while not including other concerns that the Finance Committee members might have that would be potentially legitimate but not in scope for this specific article.

Mr. Clough asked why he was precluded from discussing information that has been discussed in Committee meetings and in distributed documents and that he is citing specific examples from those sources. He believes that the Committee does not want to get that information out to the public. Mr. Clough referenced the 3% cap on the spreadsheet that Mr. Manning had provided to the Committee at a previous meeting.

Mr. McKenna appreciates that it is on a spreadsheet and the function of the spreadsheet is only a calculation and an estimate of what that benefit is going to be. Mr. Manning’s best estimate is based on a certain percentage increase and the property will be subject to the Assessor’s valuation procedures that every other business or commercial property owner will be subject to. There is no cap. The Assessors are not bound by the Special Tax Agreement to limit the value to anything. He was concerned that some information in the minority discussion might be misleading to voters.

Mr. Clough disputes that his comments are misleading and he added that there is nothing misleading about the facts. Mr. Clough checked with the Assessors to confirm that the second floor is going to be recognized on the building in years two and three. The investment will be realized at the end of this agreement. Mr. Clough asked for facts from Chair McKenna but did not receive any.

Chair McKenna has a copy of the proposed Special Tax Agreement and he pointed out that there is no 3% cap on the assessed value.

Mr. Mauro suggested that the second paragraph of the minority discussion might reference that current estimates might show a certain figure but that figure is not yet fact and then Mr. Clough can provide his opinion on that as a projection. Mr. Mauro is not trying to change Mr. Clough’s point of view, and respects it, but thought it might help to make it clear that some of these facts are estimates in their projections.

Chair McKenna believes the Committee is discussing the Special Tax Agreement and general assessments and valuations.

Mr. Clough stated that the assessed value being discussed was \$13,678,100 and that to be in the minority on this and in a sense be bullied to take the minority discussion out is something that should not be allowed in this Committee.

Chair McKenna stated that if that is the way Mr. Clough feels, that is not his goal. His goal is to have information correctly reflected in the discussion, so the voters will properly understand the Article and that it is not his intention to bully.

Mr. Mauro stated that the members were not trying to change Mr. Clough’s mind but some of Mr. Clough’s statements were conclusions rather than opinions. Mr. Clough stated that he wrote three drafts and none of them were accepted. Mr. Mauro asked if maybe the “should” and “therefore” could be softened.

Mr. Mauro confirmed with Mr. Clough that he was asserting as a fact that the building is under assessed. Mr. Clough pointed out that the use of the word “should” appeared in 28 references in the warrant.

Mr. Scollins encouraged Mr. Clough to express his opinion and stated that it is valid for someone to oppose something like this. Mr. Scollins’ focus is to ensure that the discussions are factually accurate. Mr. Scollins further stated that after several discussions on this he is not clear how one would properly state the facts in the second paragraph of the minority discussion. He suggested that he could lead a conversation on a discussion between Mr. Manning and Mr. Clough to review the minority discussion to ensure that there is nothing factually inaccurate. Mr. Clough thought these were addressed in the last call but he would be open to another call. Mr. Scollins would like to get Mr. Manning’s “take” on the second paragraph of the minority discussion. Mr. Clough would be willing to take the discussion off line and continue the discussion. Mr. Scollins will facilitate the discussion immediately.

Ms. Thomas felt it was important to note for Mr. Clough that no one in particular is trying to change his position as stated above. She respects that there are different points of view and that it is actually important to have them. She

hopes that a review can take place and all the facts are confirmed, so everyone is confident about them. She further stated that while there is a minority opinion it is the Finance Committee's report in its entirety and the Committee has a collective responsibility for its accuracy whether it is in a majority discussion or a minority discussion. Ms. Thomas appreciates Mr. Clough's patience with the process.

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Other Revenue-Related Items - Mr. Clough also heard from the Assessor that in regards to two buildings at the Paul Revere Heritage Site being split (also known as a lot split) into two buildings which will result in more tax revenue for the Town.

Mr. Scollins stated that it is common to have lot splits. It is a component of new growth, which is a bit more complicated than new structures, new personal property as it involves lot splits and changes in value of land etc. Mr. Scollins stated that he was not sure if this would materialize into new value and, even if it does, this Town's approach to its finances is to "not count every last chicken" while it settles its budget and the upside on the revenues. It may not be prudent to further stretch the revenue forecast beyond what has already been estimated.

Ms. Thomas added that with regard to the revenue process, the Building Commissioner and the Assessor bring forth what their projections are for the forthcoming year with regard to new growth and new assessments. If their estimates turn out to be low and there is new growth than what was projected, the excess would roll in to the recharge for free cash. Those revenues would then be available the following year in free cash.

Approval of Minutes – Mr. Clough mentioned that the March 24th meeting posted on Cable TV was cut short online, particularly during the STA agreement discussion.

Mr. Scollins would send an email to Canton Community TV. He also stated that he could forward the version that he recorded, which was not truncated.

Mr. McKenna acknowledged that it was Professional Administrative Day and thanked Ms. Jones for all of her service through all of the meetings, which other members of the committee acknowledged. Ms. Jones thanked the Committee and stated that they are a great Committee to work for.

A motion made by Mr. Mauro to approve the March 24, 2021, minutes as written was seconded by Ms. Thomas.

Roll Call Vote:

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

The motion passed 7-0-0.

A motion made by Mr. Mauro to approve the March 31, 2021, minutes as written was seconded by Ms. Thomas.

Roll Call Vote:

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

The motion passed 7-0-0.

Other Business – The Pre-ATM Public Informational Meeting will take place on May 12 via Zoom. There will be one more pre-ATM meeting. Mr. Scollins reached out to the Auditors who are not available for April 27 but are available for the May 11 meeting with the Select Board. He has requested that they be added to the agenda to review the FY20 audit and financial statement. A meeting will be posted for the Finance Committee jointly attending the Select Board's meeting in case there is a quorum of the Finance Committee that attends.

Ms. Thomas inquired if there was a possibility that the meeting could be held other than at 5:30 p.m. because of it being a challenge for those members who work. There was some discussion of the agenda item regarding the audit and financial statement being placed later in the agenda to help accommodate members who might not be able to attend that early.

Mr. Scollins stated that the number of participants authorized to attend the upcoming Public Informational Meeting on May 12 has been increased from 100 to 500 participants.

No date has been set for the pre-ATM planning meeting.

Next Meeting Date – The next meeting will be a joint meeting with the Select Board on Tuesday, May 11 to meet with the Auditors.

Adjournment - A motion made by Mr. Mauro to adjourn the meeting at 8:52 p.m. was seconded by Ms. Thomas.

Roll Call Vote:

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

The motion passed 7-0-0.

Minutes reviewed by: Emilio Mauro

Respectfully submitted,

Timothy McKenna
Chair, Canton Finance Committee

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**Canton Finance Committee Meeting
April 21, 2021**

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

Agenda for April 21, 2021 (1 page).

Economic Development Committee 2021 Update – PowerPoint presentation by Mr. Gene Manning (10 pages).

Press Release dated January 12, 2021 – Newly Combined Tufts Health Plan and Harvard Pilgrim Health Care Organization to Establish New Headquarters in Canton (2 pages).

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