



Canton Finance Committee
801 Washington Street
Canton, MA 02021

Minutes Voted on: 7/12/23
Vote: 5-0-1

Meeting Minutes
May 1, 2023

Finance Committee Members Present: Karen Foley, Emilio Mauro, Maureen Menconi, Reuki Schutt and Cindy Thomas.

Finance Committee Members Absent: Dave Clough, Dan Cole, and Tim McKenna.

Guests Present:

Victor Del Vecchio, President, Revere & Son Heritage Trust Corporation
Alan Hines, Revere & Son Heritage Trust Corporation
Ellen Jones, Finance Committee Recording Secretary
Randy Scollins, Finance Director/Treasurer/Collector

Call Meeting to Order: Ms. Thomas called the virtual meeting to order at 7:15 p.m. and stated that the Finance Committee will discuss significant updates regarding the Library HVAC/Roof Project and will hear a presentation from the members of the Paul Revere and Son Heritage Trust Corporation. Ms. Thomas turned the meeting over to Mr. Scollins to discuss motions for reconsideration.

The Finance Committee was presented with two motions for reconsideration. Both of these revised motions were in conjunction with the Library HVAC/Roof project. The Finance Committee had previously been provided with estimates for the Library Project. Since that time new information has been received. A contract had been funded with architects and engineers. RGB had won the bid to provide the Town with more detailed costs and estimates so that a more accurate number could be provided at Annual Town Meeting (ATM) in order to request the funding at ATM to do the work

Article 2 Motion 2 – Reconsideration – Non-Residents Listing – Mr. Scollins stated that Mr. McCarthy, Chair of the Building Renovations Committee, provided three additional names to add to the non-residents listing.

A motion made by Mr. Mauro that the Finance Committee reconsider their previous vote for Article 2 Motion 2 was seconded by Ms. Schutt.

Roll Call Vote:

Ms. Schutt	Aye	Ms. Foley	Aye	Ms. Thomas	Aye
Ms. Menconi	Aye	Mr. Mauro	Aye		

Roll Call Vote: 5-0-0.

Mr. Scollins stated that a more efficient way to handle a revised motion at ATM was to treat it as a revised motion instead of an amended motion so that the revised motion would be the only motion to go forward which eliminates the need to address the original motion and then address the revised motion. Mr. Scollins further explained that if the Finance Committee recommended the Revised Motion then it would appear printed on the voting cards that are distributed to voters checking in for ATM. This would help eliminate any confusion for the voters. The Town Moderator would ask the voters to refer to the Revised Motion on their voting cards.

A motion made by Mr. Mauro that the Finance Committee approve the revised motion for Article 2 Motion 2 to add three additional names to the non-residents listing (Andrew Barkley of Robinson, Green and Beretta (RGB), Dave DeQuattro of RGB and Bruce MacRitchie of MacRitchie Engineering) was seconded by Ms. Schutt.

Roll Call Vote:

Ms. Schutt	Aye	Ms. Foley	Aye	Ms. Thomas	Aye
Ms. Menconi	Aye	Mr. Mauro	Aye		

Roll Call Vote: 5-0-0.

Article 15 Motion 13 - Reconsideration – Library Roof & HVAC Replacements

Mr. Scollins shared on the Zoom meeting screen a breakdown of the Library Roof & HVAC Capital Project Cost Estimate as follows:

RGB Architects Project Cost Estimate	\$4,106,919	
Estimate of Owner’s Project Manager (OPM) required	<u>165,000</u>	(required for projects > \$1.5 million)
Total Project Cost Estimate	\$4,271,919	
Existing 2022 ATM Funding	\$320,000	
Originally Proposed 2023 ATM Funding	<u>1,300,000</u>	
Sub-Total Funding	\$1,620,000	
Additional Funding Required	\$2,651,919	(debt funding required to complete the project)

Mr. Scollins provided additional information on the Zoom screen (see meeting documents): Debt Service Schedule, Included Debt Service Schedule and RGB’s Probable Cost Estimates for the Roof/HVAC Project (4 pages). Mr. Scollins reviewed the costs associated with the various categories indicated on RGB’s Probably Cost Estimate worksheets. An Estimated Contingency cost of \$473,999 (20%), a Cost Escalation Fee of \$101,656 (3%) and a Change Order Contingency of \$349,020 (10%) are included in the project total of \$4,106,919.

Mr. Scollins referred to the Debt Service Schedule exhibit. The reason that Mr. Scollins is proposing \$2.66 million in new debt for the project is because the Town does not have the reserve capacity to put forward. The 1.2 million had been put forward for the project in reserves. If the \$2.66 million were added it would cause the Town to end FY23 below the reserves target of 15%. The better option is to borrow for the \$2.66 million. He explained in detail the \$9,110,034 debt service that is paid out of the General Fund budget.

If the New FY24 proposed General Fund borrowing (for 10 projects) and the proposed Library Project borrowing are approved and included in the Total Included Debt (General Fund & Inside the Levy) the result would be \$3.6 million or 2.7% as a percent of the General Fund budget. The Town’s Included Debt Service is currently at 2.6% of the General Fund Budget. Mr. Scollins stated that the 2.7% would be in a comfortable range for Included Debt Service for Canton is between 2.0% and 4.0%.

From a borrowing perspective Mr. Scollins stated that it is not particularly healthy to give up the 2.5% to 3% share for debt service because the Town would be “crowding out” its debt service capacity with other spending. The Town would not want to do this because the Town would continually need to borrow for a variety of projects. The Town would not want to “save a buck” on its debt service only to compromise the ability to get capital projects done.

The purpose of Mr. Scollins showing that while the Library Project would add another \$239,4000 of debt service starting in FY25, the \$239,400 would decrease with every upcoming fiscal year as well as other debt service being paid off in future fiscal years keeping Canton’s debt well within the debt as a percentage of the General Fund.

A motion made by Mr. Mauro that the Finance Committee reconsider their previous vote for Article 15 Motion 13 was seconded by Ms. Schutt.

Roll Call Vote:

Ms. Schutt	Aye	Ms. Foley	Aye	Ms. Thomas	Aye
Ms. Menconi	Aye	Mr. Mauro	Aye		

Roll Call Vote: 5-0-0. The motion to reopen Article 15 Motion 13 passed.

A revised motion was presented to the Finance Committee as follows:

MOVED: That **Three Million Nine Hundred Thirty-One Thousand Two Hundred Ten Dollars (\$3,931,210)** be appropriated to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of the Building Renovations Committee, the Select Board and the Library Board of Trustees for the purpose of improvements/replacements of the Library Roof and HVAC and to meet said appropriation **the Town Treasurer with the approval of the Select Board be authorized to borrow pursuant to any applicable statute or any other enabling authority as may be, the sum of Two Million Six Hundred Sixty Thousand Dollars (\$2,660,000)** and that One Million One Hundred Seventy Three Thousand Seventy Seven Dollars (\$1,173,077) be transferred from Free Cash (Undesignated Fund Balance) in the Treasury of the Town and that Ninety Eight Thousand One Hundred Thirty Three Dollars (\$98,133) also be transferred from surplus funds in the Bolivar Pool Capital Project Fund #43002-58900-BPOOL into the Library Roof / HVAC capital project account. It is the intent that the bonds and notes issued pursuant to this authority be general obligations of the Town.

A motion made by Mr. Mauro that the Finance Committee recommend to Town Meeting the Revised Motion for Article 15 Motion 13 in the amount of \$3,931,210 with borrowing of \$2,660,000 to be repaid from the general fund, \$1,173,077 be transferred from Free Cash and \$98,133 be transferred from surplus funds in the Bolivar Pool Capital Project Fund was seconded by Ms. Foley.

Roll Call Vote:

Ms. Schutt	Aye	Ms. Foley	Aye	Ms. Thomas	Aye
Ms. Menconi	Aye	Mr. Mauro	Aye		

Roll Call Vote: 5-0-0. The revised motion was approved. Mr. Scollins stated that this Revised Motion will be printed on the Voter cards so there will be no need to mention the original motion or an amended motion. Mr. Scollins will work with the Town Clerk and will provide her with the information for the voting card.

Discussion – Revere & Son Heritage Trust Corporation (PRSHTC) (the Trust) – Alan Hines and Victor Del Vecchio

The purpose of the RSHTC discussion was to allow Mr. Hines and Mr. Del Vecchio present information (see meeting documents) that will be also presented at Town Meeting and to also allow members of the Finance Committee the opportunity to ask questions about the Trust. Ms. Thomas stated that this presentation would help to better understand the rather unique and sometimes complex relationship between the Trust and the Town.

The following are some of the areas that Mr. Del Vecchio discussed:

- The Trust has nine voluntary board members with 6 members appointed by the Select Board and 3 members appointed by the other Trust members (no salaries are paid to the Trust members). Mr. Scollins will be leaving the Trust Board due to his commitments with the Town.
- Matthew MacDonald, the Clerk of the Trust, represents the Simoni Foundation. Mr. MacDonald also provides legal services to the Trust, which the Trust has not had to pay for so far.
- The Trust has two part-time support staff: Allison Neff and Kristen Phelps. While these 2 staff positions are compensated by the Trust, a majority of their time is volunteer.
- While the Trust may be unique, the organization is essentially a part of the Town.
- The Trust is considered by the IRS as a 501c3 tax-exempt organization with its own Tax ID.
- The Trust is allowed to do things under its special legislation that the Town cannot do such as solicit revenue, gifts and donations. The Trust is subject to the Anti-Aid amendment under the Massachusetts Constitution, however, the Trust was written and designed to allow the Trust to have some independence.
- Because the Trust is considered a part of the Town, the Trust can borrow, seek appropriations from Town meeting, raise funds privately, file for grants,
- The Paul Revere Heritage Commission (created by the Select Board and staffed with constituents) was established in 2015 to purchase the Paul Revere Heritage Site. The Commission was to oversee the development of the space and the use of the buildings. The Commission has now been disbanded (by votes in 2022 of the Commission and the Select Board) and is replaced by the Revere & Son Heritage Trust Corporation. The Trust was established by a vote of Annual Town Meeting to petition the legislature to form the Trust.
- The Museums are not self-sustaining – a revenue source is needed in order for the two museums to survive. A restaurant was proposed to be a recurring revenue source. A 10-year agreement was entered into with Northern Spy. The rental money was designed by the legislature and the agreement to mitigate expenses for the museum creation and future operation.
- To date the museums have been renovated. The Trust is now tasked with “populating” the museums with activities and exhibits that will be regionally attractive to a population of the community and beyond the community.
- Mr. Del Vecchio displayed on the Zoom screen a revenue graph depicting the various areas the Trust obtains public and private funding – The largest portion is from grants from state (Mass Cultural Council), federal (ARPA) and private organizations (\$884,400 43%), Community Preservation Fund (\$316,000 16%) as well as from donations, Revolving Fund 152 controlled by the Trust (private donations), Revolving Fund 142 controlled by the Select Board (rental revenue), Select Board mitigation funding, Town of Canton capital funding, Town of Canton operating funding, and non-monetary donations. Total funding through March 2023 is \$2,034,446.

Mr. Hines stated that he wanted to make it clear that it is not the Trust’s intention to ask for charitable donations to pay for expenses of the Trust or to maintain property that is in his opinion really the Town’s responsibility.

- Expenses through March 2023 total \$324,436. The largest expenditure is for the Tax Pledge Mitigation Account for PRHS & Museum for \$237,363 42%.

- Mr. Del Vecchio summarized Trust-Sponsored Exhibits to Date, Community Engagement event and Upcoming events.
- The Trust has entered into a contract for the final Design of the Revere Museum of Discovery & Innovation. The contract was awarded to EXP Studios. It is expected that the design phase for the museum will take one year.

Mr. Del Vecchio's presentation concluded at approximately 8:23 p.m.

Mr. Hines stated that he had met with Finance Committee member Dave Clough who was under the impression that all of the development at the site would be funded through taxpayer dollars. Mr. Hines explained to Mr. Clough that there were "pockets" of money available at the federal level, state level, historical society, various foundations for which the Trust may access funds. There are also companies that want to sponsor exhibits at the museum. He further stated that it is important to have community support when they seek donations from other sources.

Mr. Mauro thanked Mr. Del Vecchio and Mr. Hines for their presentation and the Trust as whole for everything they have done in establishing this site for a place in the community that had not existed before.. Ms. Thomas also thanked the Trust for the amount of work and commitment towards this site and project.

Public Information Meeting – May 3, 2023 – to discussion Town Meeting Articles

The informational virtual meeting will be held via Zoom. Presenters will be allowed to speak at the meeting. Mr. Scollins requested that if there are any Finance Committee members that would like to participate that they should send him an email. Mr. Hines (the Moderator elect) will facilitate the informational meeting.

Next Meeting Date: There is no Finance Committee meeting scheduled before their next meeting which will take place on May 8, 2023 from 6-7:00 p.m. just prior to the Annual Town Meeting.

Approval of Minutes - A motion made by Ms. Schutt to approve the March 29, 2023 and the April 3, 2023 minutes as written was seconded by Ms. Foley.

Roll Call Vote:

Ms. Schutt	Aye	Ms. Foley	Aye	Ms. Thomas	Aye
Ms. Menconi	Aye	Mr. Mauro	Aye		

Roll Call Vote: 5-0-0. The March 29, 2023 and April 3, 2023 minutes were approved.


A motion made by Mr. Mauro to adjourn the meeting at 8:37 p.m. was seconded by Ms. Schutt.

Roll Call Vote:

Ms. Schutt	Aye	Ms. Foley	Aye	Ms. Thomas	Aye
Ms. Menconi	Aye	Mr. Mauro	Aye		

Roll Call Vote: 5-0-0. The meeting adjourned.

Minutes reviewed by: Maureen Menconi
Respectfully submitted,

DocuSigned by:

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Cindy Thomas
Chair, Canton Finance Committee
Sub-Committee to Review Compensation of Elected Officials

**Finance Committee
Meeting Documents
May 1, 2023**

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

Agenda for May 1, 2023.

Library Roof & HVAC Capital Project Cost Estimate, Randy Scollins, dated 4/25/23 (1 page).

Debt Service Schedule – Town of Canton, Randy Scollins, dated 4/25/23 (1 page).

Included Debt Service Schedule – Town of Canton, Randy Scollins, dated 4/25/23 (1 page).

RGB – Canton Public Library – Roof HVAC Renovation Project, Probably Cost Estimate dated 4/18/23 (3 pages).

Revere & Son Heritage Trust Corporation Presentation, Alan Hines and Victor Del Vecchio (14 pages).