



**Town of Canton
Finance Committee**

Rob Barker, Chair
Tim McKenna, Vice Chair
Nichola Gallagher
Dianne Gustafson
Cynthia Holcombe
Barbara Saint André
Cindy Thomas

Finance Committee Meeting Notice

Meeting Date: Monday, January 29, 2018
Meeting Time: 7:00 PM
Meeting Location: Salah Meeting Room
801 Washington Street
Canton, MA

Agenda

This meeting is being video recorded by Canton Community Television. Times are estimates. Items may be taken out of order.

7:00 PM Call Meeting to Order (Minutes Primary/Alternate: Nichola Gallagher / Dianne Gustafson)

New Business:

7:05 PM **New Growth Estimates Discussion with Karen Zukauskas, Assessing Director**
Revenue Forecast for FY19 and Consideration of Overall FY19 School & Municipal Budget Targets

7:30 PM **Free Cash Certification as of July 1, 2017**
General Fund: \$4,851,739
Sewer Enterprise Fund: \$1,309,835
Water Enterprise Fund: \$1,855,585
Rink Enterprise Fund: \$44,350

7:40 PM **Operating Results as of December 31, 2017**
CAFR (Comprehensive Annual Financial Report) for FY17

Other Business:

8:00 PM **FY19 – Operating Budget Requests – Ongoing Review**
Send invitation for a future meeting to Police Chief, Library Director, Information Systems Manager, Parks & Recreation Director, Town Clerk and DPW Superintendent.

Posting of Documents to Finance Committee Website:
Active Employees – FY18 Annual Base Salary and CY17 Gross Annual Salary Report.
Mitigation Accounts Summary as of 12/5/17.

Minutes to be Approved: October 10, 2017 and January 22, 2018

Next Meeting Dates:

Finance Committee Meetings – 2018 (subject to change)					
Day	Month	Date	Time	Location	Guests / Topics
Wednesday	February	7	NA	No meeting this day	Finance Committee receives FY19 warrant voted by BOS.
Tuesday	February	13	7:00 p.m.	Salah Mtg. Room	Guests TBD / Discussion of Warrant
Monday	February	26	7:00 p.m.	Salah Mtg. Room	Guests TBD
Thursday	March	1	7:00 p.m.	Salah Mtg. Room	Bob Panico, Chair, Capital Planning Committee – FY19 Capital
Thursday	March	8	7:00 p.m.	Armando Rec. Center	Invite – BOS/Chair – Discussion of FY19 Operating Budget & Warrant articles, etc.
Monday	March	12	7:00 p.m.	Salah Mtg. Room	Invite – School Committee – Discussion of FY19 Operating Budget & Warrant articles, etc.
Friday	March	16	NA	No meeting this day	Deadline – Planning Board motions to Town Counsel.
Monday	March	19	7:00 p.m.	Salah Mtg. Room	Invite - Tom Scully & Laura Smead – Planning Board – PB & Zoning Articles
Thursday	March	22	7:00 p.m.	Armando Rec. Center	Last day to vote FY19 Capital Requests & Articles.
Friday	March	23	NA	No meeting this day	Deadline – FINCOM draft motions to Town Counsel
Monday	March	26	7:00 p.m.	Salah Mtg. Room	TBD
Monday	April	2	7:00 p.m.	Salah Mtg. Room	Vote FY19 Operating Budgets, Fixed Costs Budgets & Enterprise Budgets. Review Finance Committee Discussions.
Thursday	April	5	7:00 p.m.	Salah Mtg. Room	Finalize Finance Committee Report & Discussions.
Monday	April	9	NA	No meeting this day	Warrant with Recommendations & Motions sent to printer.

Public Announcements/Public Comment:

Currently there are 2 vacancies on the Finance Committee.

Adjourn

If a topic becomes known prior to 48 hours before the scheduled meeting, the Committee will update this posting. The Committee may also discuss a topic or topics not reasonably anticipated by the Chair 48 hours before the meeting.

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REVENUE FORECASTING POLICY

Revenue surpluses are more desirable than revenue deficits. Therefore, the process of estimating revenues is not designed to reach a number which has an equal probability of being exceeded or producing a shortfall. Rather, the objective is to develop an estimate, based on historical averages and currently available information, which has a substantial chance of being met and a small chance of falling short.

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SUMMARY OF GENERAL REVENUES AND EXPENDITURES

A	AA	AC	AE	AG	AI	AJ	AQ	AR
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ESTIMATE	ESTIMATE
GENERAL FUND REVENUES:								
6	58,943,238	61,389,516	63,587,464	67,267,824	70,207,984	73,073,334	73,005,964	75,904,693
8	7,767,007	8,166,757	7,553,514	7,891,869	8,223,481	8,868,080	8,988,466	9,073,243
10	6,594,642	6,982,273	7,720,938	7,801,500	7,718,943	6,468,816	7,148,303	6,772,736
12	2,664,482	3,004,822	2,966,964	3,249,544	2,405,385	2,340,524	2,354,154	2,626,374
14	219,963	782,539	351,721	147,456	172,988	0	106,600	0
16	76,189,331	80,325,907	82,180,601	86,358,192	88,728,781	90,750,754	91,603,487	94,377,046
GENERAL FUND EXPENDITURES:								
21						38,077,710	38,077,710	40,221,559
22						745,213	745,213	758,449
23						623,640	623,640	620,327
24						774,996	774,996	296,070
25	32,011,496	33,395,505	34,627,548	36,259,290	38,498,641	40,221,559	40,221,559	41,896,405
27						19,016,901	19,016,901	19,919,076
28						164,858	164,858	167,967
29						236,969	236,969	264,981
30						700,348	700,348	524,378
31	16,079,678	16,918,738	17,488,884	18,136,889	18,864,107	20,119,076	20,119,076	20,876,402
33	23,857,242	24,674,243	25,451,017	25,878,984	26,625,136	28,075,270	28,123,598	29,033,925
34								
35	71,948,416	74,988,486	77,567,449	80,275,163	83,987,884	88,415,905	88,464,233	91,806,732
36								
37	364,103	441,880	715,020	602,599	597,235	800,000	800,000	750,000
38	1,723,607	1,380,037	1,050,178	1,517,900	1,987,161	700,000	700,000	750,000
39	2,087,710	1,821,917	1,765,198	2,120,500	2,584,397	1,500,000	1,500,000	1,500,000
40								
41	400,000	400,000	600,000	600,000	500,000	0	0	0
42	0	85,000	100,000	0	0	0	0	0
43	400,000	485,000	700,000	600,000	500,000	0	0	0
44								
45	120,000	70,000	85,000	183,069	194,265	255,000	255,000	0
46								
47	959,538	959,868	944,583	927,338	995,573	1,034,849	1,057,233	1,070,314
48								
49	75,515,665	78,325,271	81,062,230	84,106,070	88,262,119	91,205,754	91,276,466	94,377,046
50								
51	OPERATING SURPLUS/(DEFICIT) - GENERAL FUND	673,666	2,000,636	1,118,371	2,252,122	466,662	327,022	0

summary

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PROPERTY TAX REVENUE

	A	N	O	P	Q	R	S	T	U
1		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019
2		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ESTIMATE	ESTIMATE
3									
4	GENERAL FUND REVENUE:								
5									
6	PRIOR YEAR LEVY LIMIT	56,499,590	58,592,286	61,056,233	64,150,473	67,067,280	70,349,445	70,349,445	73,481,199
7									
8	ADD 2.5%	1,412,490	1,464,807	1,526,406	1,603,762	1,676,682	1,758,736	1,758,736	1,837,030
9									
10	ADD REAL ESTATE NEW GROWTH	379,310	450,088	800,518	985,309	1,107,638	600,000	1,053,018	600,000
11									
12	ADD PERSONAL PROPERTY NEW GROWTH	300,896	549,052	767,316	327,736	497,845	250,000	320,000	200,000
13									
14	ADD OPERATING OVERRIDE	0	0	0	0	0	0	0	0
15									
16	SUB-TOTAL LEVY LIMIT	58,592,286	61,056,233	64,150,473	67,067,280	70,349,445	72,958,181	73,481,199	76,118,229
17									
18	ADD DEBT EXCLUSIONS (NET OF REIMBURSEMENTS)	2,111,287	2,019,591	1,643,171	1,706,408	1,559,011	1,651,108	1,604,597	1,322,418
19									
20	LESS UNUSED LEVY CAPACITY	(548,306)	(610,696)	(1,164,023)	(577,358)	(961,686)	(535,955)	(1,110,114)	(535,955)
21									
22	TOTAL PROPERTY TAXES-CURRENT YEAR	60,155,267	62,465,128	64,629,622	68,196,330	70,946,770	74,073,334	73,975,682	76,904,693
23									
24	ADJUST TO ACTUAL AMOUNT BILLED	(8,439)	(46,041)	6,807	8,513	9,585	0	30,282	0
25									
26	LESS ABATEMENTS	(878,605)	(805,173)	(761,986)	(747,431)	(693,528)	(750,000)	(750,000)	(750,000)
27									
28	SUB-TOTAL PROPERTY TAX REVENUE	59,268,223	61,613,914	63,874,443	67,457,412	70,262,827	73,323,334	73,255,964	76,154,693
29									
30	OVER/(UNDER) COLLECTIONS	(324,985)	(224,398)	(286,979)	(189,588)	(54,843)	(250,000)	(250,000)	(250,000)
31									
32	TOTAL PROPERTY TAX REVENUE	58,943,238	61,389,516	63,587,464	67,267,824	70,207,984	73,073,334	73,005,964	75,904,693

ADDITIONAL PROPERTY TAXES FROM DEBT EXCLUSIONS - NET OF REIMBURSEMENTS

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	A	T	U	V	W	X	Y	Z	AA
	DESCRIPTION	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 ESTIMATE	FY 2019 ESTIMATE
1									
2									
3									
4									
5	DRAPER PROPERTY (behind Police Station)	106,756	103,544	96,220	93,055	38,528	36,532	36,532	31,620
6									
7	WILLIAMS ESTATE (Armando Center)	169,864	164,044	150,631	143,402	134,130	0	0	0
8									
9	SCHOOL ADA	79,080	76,626	69,607	66,343	62,610	59,364	59,364	0
10									
11	SCHOOL REPAIRS	137,420	133,149	120,941	115,239	108,704	103,326	103,326	0
12									
13	SCHOOL TECHNOLOGY	0	0	0	0	0	0	0	0
14									
15	LUCE SCHOOL	645,920	624,150	605,110	585,390	551,600	527,380	527,380	503,820
16									
17	LIBRARY	437,513	443,710	381,905	366,920	352,710	338,440	338,440	324,215
18									
19	HIGH SCHOOL	1,527,250	1,527,842	807,112	758,093	707,783	659,098	659,097	611,213
20									
21	HANSEN SCHOOL ADDITION	0	0	0	0	44,000	349,000	316,120	283,961
22									
23	TOTAL DEBT SERVICE	3,103,802	3,073,065	2,231,526	2,128,440	2,000,065	2,073,140	2,040,259	1,754,828
24									
25	LESS MSBA OFFSETS & OTHER ADJUSTMENTS:								
26									
27	LUCE SCHOOL MSBA REIMBURSEMENT	(422,032)	(422,032)	(422,032)	(422,032)	(422,032)	(422,032)	(422,032)	(422,032)
28	HIGH SCHOOL MSBA REIMBURSEMENT	(539,765)	(550,537)	0	0	0	0	0	0
29	ADDITIONAL INTEREST PAID IN APRIL 2014	0	(52,289)	52,289	0	0	0	0	0
30	EXCESS BOND PREMIUM FOR HANSEN SCHOOL	0	0	0	0	0	0	(13,630)	(10,378)
31	NET PREMIUM RECEIVED ON NOTES & BONDS	(30,718)	(28,616)	(218,612)	0	(19,022)	0	0	0
32									
33	TOTAL MSBA OFFSETS & OTHER ADJUSTMENTS	(992,515)	(1,053,474)	(588,355)	(422,032)	(441,054)	(422,032)	(435,662)	(432,410)
34									
35	NET DEBT SERVICE	2,111,287	2,019,591	1,643,171	1,706,408	1,559,011	1,651,108	1,604,597	1,322,418

STATE AID COMPARISON

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A	B	O	P	Q	R	S	T	U	V
DESCRIPTION	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 ESTIMATE	FY 2019 ESTIMATE	FY 2019 ESTIMATE
CHAPTER 70	4,580,646	4,751,687	4,936,587	5,126,669	5,320,092	5,903,276	6,027,495	6,093,855	6,093,855
SCHOOL TRANSPORTATION	0	0	0	0	0	0	0	0	0
CHARTER TUITION ASSESSMENT REIMBURSEMENT	54,945	36,456	6,667	3,969	53,918	25,768	41,960	20,630	20,630
SUB-TOTAL EDUCATION	4,635,591	4,788,143	4,943,254	5,130,638	5,374,010	5,929,044	6,069,455	6,114,485	6,114,485
UNRESTRICTED GENERAL GOVERNMENT AID	1,813,812	1,856,687	1,908,176	1,976,870	2,061,875	2,142,288	2,142,288	2,217,268	2,217,268
HIGHWAY FUND	0	0	0	0	0	0	0	0	0
POLICE CAREER INCENTIVE (QUINN)	0	0	0	0	0	0	0	0	0
VETERANS' BENEFITS	106,829	129,968	147,636	143,180	150,820	159,972	139,982	116,443	116,443
STATE OWNED LAND (PAYMENTS IN LIEU OF TAXES)	149,947	152,912	37,903	37,903	37,870	37,870	37,835	33,984	33,984
EXEMPTIONS FOR ELDERLY, VETS ETC.	64,758	232,205	60,240	146,973	142,601	142,601	142,601	134,758	134,758
SUB-TOTAL GENERAL GOVERNMENT	2,135,346	2,371,772	2,153,955	2,304,926	2,393,166	2,482,731	2,462,706	2,502,453	2,502,453
SUB-TOTAL STATE AID	6,770,937	7,159,915	7,097,209	7,435,564	7,767,176	8,411,775	8,532,161	8,616,938	8,616,938
SCHOOL CONSTRUCTION (MSBA):									
LUCE SCHOOL	422,032	422,032	422,032	422,032	422,032	422,032	422,032	422,032	422,032
HIGH SCHOOL	539,765	550,537	0	0	0	0	0	0	0
HANSEN SCHOOL ELEVATOR	18,328	18,328	18,328	18,328	18,328	18,328	18,328	18,328	18,328
KENNEDY SCHOOL ELEVATOR	15,945	15,945	15,945	15,945	15,945	15,945	15,945	15,945	15,945
TOTAL SCHOOL CONSTRUCTION AID	996,070	1,006,842	456,305	456,305	456,305	456,305	456,305	456,305	456,305
TOTAL STATE AID	7,767,007	8,166,757	7,553,514	7,891,869	8,223,481	8,868,080	8,988,466	9,073,243	9,073,243

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LOCAL RECEIPTS

	A	B	C	D	Q	R	S	T	U	V	W	X
	DESCRIPTION	ORG #			FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 ESTIMATE	FY 2019 ESTIMATE
5	EXCISE TAXES (Motor Vehicle)	10015			3,473,978	3,714,753	4,119,643	4,555,904	4,505,384	3,850,000	4,000,000	4,000,000
7	OTHER EXCISE (Hotel & Meals)	10016			460,905	568,317	581,621	601,227	593,076	550,000	674,487	550,000
9	PENALTIES & INTEREST	10017			323,695	344,012	310,740	254,164	314,625	300,000	300,000	300,000
11	PAYMENTS IN LIEU OF TAXES	10018			224,311	214,543	222,149	225,405	231,040	236,816	236,816	242,736
13	FEES	10032			166,510	177,668	160,361	199,823	159,459	150,000	150,000	150,000
15	RENTALS	10036			201,454	218,135	247,420	193,689	185,417	200,000	200,000	200,000
17	OTHER DEPARTMENT REVENUE	10037			58,575	96,811	124,390	144,641	105,876	77,000	77,000	100,000
19	ALCOHOLIC BEVERAGES LICENSES	10041			74,040	72,915	79,970	77,035	81,300	70,000	80,000	70,000
21	OTHER LICENSES	10042			91,849	94,133	86,466	84,019	76,440	80,000	80,000	80,000
23	PERMITS	10045			878,021	650,781	1,116,006	874,017	984,377	650,000	1,000,000	750,000
25	OTHER FEDERAL REVENUE	10054			0	251,643	0	0	5,625	0	0	0
27	OTHER STATE REVENUE	10068			0	18,408	0	0	0	0	0	0
29	FINES & FORFEITURES	10077			109,411	141,311	113,467	119,540	92,821	100,000	100,000	100,000
31	INTEREST INCOME	10082			82,772	91,250	81,755	96,625	127,091	80,000	100,000	80,000
33	OTHER MISCELLANEOUS REVENUE	10084			59,018	44,668	71,969	113,864	60,896	25,000	50,000	50,000
35	REIMBURSEMENTS	10085			390,105	282,925	404,982	261,549	195,517	100,000	100,000	100,000
37	TOTAL LOCAL RECEIPTS				6,594,642	6,982,273	7,720,938	7,801,500	7,718,943	6,468,816	7,148,303	6,772,736