

Finance Committee Members Present: Wai Wong

Christos Arsoniadis, Rob Barker, David Clough, Dan Cole, Emilio Mauro, Tim McKenna, Barbara Saint André, Cindy Thomas and Wai Wong.

Finance Committee Members Absent: All members were present.

Guests Present:

Stacey Gorman, Chair, Canton Community Preservation Committee (CCPC)

Lisa Lopez, Vice Chair, Canton Community Preservation Committee

Kristen Phelps, Administrator, Canton Community Preservation Committee

Mark Porter, Board of Selectmen & Traffic Committee Member

Randy Scollins, Finance Director

Ellen Jones, Finance Committee Secretary

Opening: Mr. McKenna called the meeting to order at 7:00 p.m.

A. Approval of Agenda

Mr. McKenna reviewed the agenda.

B. Announcements

The Revenue Forecasting Committee meeting will take place on January 30, 2020 at 9:00 a.m. in the Salah Meeting Room.

C. New Business

Chairman McKenna introduced Stacey Gorman, the Chair of the Canton Community Preservation Committee (CCPC) and Lisa Lopez, the Vice Chair. Prior to the meeting the CCPC provided a 4-page document that contained detailed information regarding the projects being recommended to Annual Town Meeting (ATM). At the time of the meeting the CCPC also provided a 6-slide presentation. Ms. Gorman reviewed the CCPC's recommendations for ATM as well as the CCPC financials.

Ms. Gorman gave a brief overview of the CCPC for the newer members of the Finance Committee

- The CCPC receives applications which are vetted at public hearings and holds a general hearing in December and January and makes recommendations to ATM as to how the Community Preservation Act (CPA) funds should be distributed.
- Currently the Town of Canton has a 1% CPA surcharge on the tax bills as well as receiving funding from the state. The funding from the state is an unknown number which is distributed to the Town later in the fiscal year. Typically the state funding has ranged from 10-20% of what the Town has collected on the surcharge.
- Because the Town's tax base has grown so too has the annual allocation of \$600,000.
- Funds that are collected go into four difference "buckets" – administrative (5% of CPA revenue is allocated to this), open space/recreation (10%), historic (10%) and housing (10%). Applicants must meet certain criteria to meet funding requests.

Ms. Lopez stated that the role of the CCPC is to recommend projects to ATM but that it is ultimately the exclusive decision of ATM to approve projects before they are funded.

After meeting with the new Finance Director, Randy Scollins, in early January, the CCPC discussed increasing the annual allocation to \$700,000 for FY21. Last year the CCPC recommended that the annual allocation increase from \$600,000 to \$650,000 for FY20.

Mr. Cole asked Ms. Gorman about the current balance of the CPA revenue. She stated that the unused revenue carry over revenue was \$485,975. The carryover is usually a rolling balance because as funds are carried over, funds are spent and then more funds are collected.

Ms. Gorman and Mr. Scollins are predicting that the surcharge revenue alone could be \$650,000 for Fiscal 2020 and \$700,000 Fiscal 2021. Ms. Gorman further stated that because the CCPC's projections are conservative in their revenue estimate, funds are accumulating over time. The total revenue grows over time in three various ways: 1) from revenue/funds collected that exceeded projections 2) interest earned and 3) if a project finishes under budget the funds are returned and reallocated to that "bucket" of funds from which the allocation originated.

Ms. Gorman referred to her slide presentation as to how the FY21 estimate of \$700,000 revenue might be allocated: 1) 10% or \$70,000 to the Housing category, 2) 10% or \$70,000 to the Historic category, 3) 10% or \$70,000 to the Open Space/Recreation category and 4) 5% or \$35,000 for Administration such as (part-time salary for Ms. Phelps as well as legal fees related to projects, third party conservation restriction negotiations and appraisals) leaving \$455,000 as undesignated. If a portion of administration is not used it is returned to the undesignated fund.

Ms. Gorman explained how the \$485,975 of carryover funds (from the end of Fiscal 2020) would be allocated: \$67,838 to Historic, \$62,121 to Housing, \$0 to Open Space/Recreation, \$0 to Administration leaving \$356,016 to the undesignated fund.

Ms. Phelps explained that there was a little over \$1 million of total funds available to non-administrative "buckets". This figure did not include a \$261,790 bond payment for the Paul Revere Heritage Site. The Tomb project came in under budget with approximately \$3,100 being returned to the Historic "bucket". An open space project was recently closed out with approximately \$3,600 being returned to the Open Space/Recreation "bucket".

Ms. Gorman reviewed the final slide for the Finance Committee which included the projects that the CCPC is recommending to ATM.

Historic - CPC Recommendations for ATM 2020

- The CPC received three project requests and will be recommending two of the projects for approval at ATM.
- **Memorial Hall Rehabilitation** - \$1,184,000 was requested by the applicant. \$15,000 recommended by the CPC. The granite steps in front of Town Hall are not included in the study for the Memorial Hall exterior renovations.
- **Tilden House Phase II** - \$480,000 was requested by the applicant. \$450,000 recommended by the CPC. The CPC received 30-40 letters and emails of support for this project. Ms. Gorman indicated that the applicants were confident that the remaining \$30,000 could be raised through fund raising.
- **Renovate Granite Steps in front of Memorial Hall** - This project was not recommended by the CPC for funding.
- There is \$140,975 in the historic bucket. The CPC is recommending \$450,000 for Phase II of the Tilden House restoration and \$15,000 for a study of the Memorial Hall exterior renovations. This leaves a balance of \$342,025 to come out of the undesignated fund.

Housing – CPC recommendations for ATM 2020

- The Canton Housing Authority applied for \$120,000 for **fire alarm upgrades** to the Hemenway School. The CCPC will be recommending \$80,000 at ATM for this project.

- Canton Housing Authority will be making up the \$40,000 difference through their own capital plan through the state.

Open Space/Recreation

- **Earl Newhouse Waterfront Project** – The Town Planner submitted this application with the support of the Board of Selectmen. The applicant applied for \$478,259. CCPC approved 50% or \$239,129 for Phase 1 of this project contingent upon the approval of the remaining funds through a BOS-sponsored warrant article at the upcoming ATM.
- The Town may also be eligible for grants for this project. If the funds for the grants are funded to the Town, the understanding is that the CCPC would receive the grant money back into their fund.
- Ms. Lopez stated that the boat launch for this project would be for kayaks only and other non-motorized water items.
- **Galvin Middle School Basketball Courts** – This project for \$35,097 was requested by the School Committee to resurface the basketball courts behind the Galvin Middle School. The School Department has committed to funding the remaining costs of this project.
- **Pequitside Tennis & Pickleball Courts** – This is the only town-owned court. The DPW cleared vegetation around the court and removed the cracked asphalt and fence. The project is for a single tennis court as well as a pickleball court. The tennis court will be lined for pickleball but there will also be a pickleball court adjacent to the tennis court. The project cost is \$116,600
- Total open space projects being recommended for Town Meeting is \$390,827.

Ms. Gorman stated that \$732,852 would be taken out of the undesignated available funds of \$740,339 which would leave a balance of only \$7,487 in the reserves/undesignated fund which was a concern to some of the CCPC members. However, the CCPC felt that the requested projects were worthy, shovel ready and would move along quickly. The CCPC is also confident that they will have \$50,000 to \$100,000 because of their conservative decisions. Ms. Gorman also stated that they usually do not use all of the administrative allocation and that even though the committee has estimated \$650,000 of revenues for FY21 they will be above \$700,000. CCPC will also receive additional money from the state in January. There are also a few projects that are at the near-closing stage and will most likely have funds that will be returned. Ms. Gorman anticipates that carry over next year will be closer to \$200,000 instead of \$85,000 based on how the other numbers are going to come in. The CPC is spending down its carry over funds.

In response to a question Ms. Saint André had with regard to the over \$4 million collected since 2015 (of what the state has paid and what the Town has collected through the surcharge), how much of that \$4 million has been spent on historic projects, open space/recreation projects and housing projects, Ms. Gorman offered the following information regarding the recommendations/allocations:

Fiscal Year	Historic	Open Space/Recreation	Housing
2015	\$57,705	\$200,000	\$93,700
2016	\$555,165	0	\$100,000
2017	\$215,815	\$50,000	\$120,000
2018	\$211,975	\$744,800	\$80,000
2019	0	\$712,500	\$80,000
2020	\$65,120	\$485,171	\$74,000
Total	\$1,105,780	\$2,192,471	\$547,700

Ms. Lopez stated that \$1.7 million of open space will be bonded over a 10-year period. The \$485,171 allocated in 2020 for open space/recreation included the first bond payment of \$271,000. For FY21 the CCPC is recommending \$390,827 for open space/recreation projects plus approximately \$261,000 for the bond payment which would total \$651,827 for the FY21 open space/recreation projects recommendation.

Ms. Lopez stated that with regard to housing the CCPC recommended the minimum that the state requires of 10% of the expected revenue and the rest of the allocations were split almost evenly between open space/recreation

and historic. Ms. Saint André questioned as to why the minimum is being recommended for housing when there is a significant need for housing in Canton. Ms. Gorman responded that the CCPC has approved every housing application that has come before them.

Ms. Saint André stated that some communities set aside funds in a separate fund for future availability so that the Town might be able to purchase a house that might become available through foreclose. Ms. Gorman stated that Laura Smead, the Town Planner, presented to the CCPC last year the concept of a housing trust whereby a certain amount of funds could be requested each year for the trust which funds would then be available for future housing purchases. Ms. Gorman is unaware that a housing trust has been set up by the Town and they are only aware of projects that come before the CCPC from the Canton Housing Authority.

Mr. Mauro had the following comments and questions:

- Is there a precedent for creating housing trusts in other towns that have the CPA surcharge? Ms. Gorman stated yes.
- With regard to the Memorial Hall Exterior Rehabilitation study, are the steps included in the study? Ms. Gorman stated that she thought the Town was already aware of what needed to be done with the steps, such as using concrete versus sand for re-installing the granite steps and would not be part of the study.
- With regard to the \$30,000 difference between the project request and the project funding for the Tilden House, was the applicant confident that they could raise the \$30,000? Ms. Phelps stated that the applicant already had the remaining funds for the project. Ms. Gorman stated that projects could not be started until all of the funds were available for the project.
- Is the life expectancy for the rehabilitation of the Galvin Middle School basketball courts in anyway affected by any major Galvin Middle School rebuild/renovation? Ms. Gorman stated that the applicant did not see that as being an issue for their project.

Mr. Cole inquired if there was any risk with the \$935,827 that was going to be spent for the Tilden House. Ms. Gorman stated that when the CCPC makes a recommendation for Town Meeting for a specific amount, unless the applicant returns for another application cycle in a following year with them, the amount requested is all of the funding the applicant will receive from the CPA. Many of the projects presented to them contain a line item for contingency costs. Ms. Lopez stated that the budget provided for the Tilden House was a very detailed line-by-line budget with a specific contingency amount.

Finance Committee Meeting Schedule – Mr. Scollins presented a draft listing of the Finance Committee meetings that would take place up to the May Annual Town Meeting. Mr. Scollins and Mr. McKenna reviewed this listing prior to the Finance Committee meeting and determined which departments to invite based on their budget requests for FY21.

Mr. Scollins stated that while there are no overrides in the next year there are a number of warrant articles with significant funding requests.

Proposed Sidewalk Betterment Policy - Article – ATM 2020

Mr. Porter arrived at the meeting at approximately 8:15 p.m. to discuss his proposed sidewalk betterment article. Some of the highlights of his presentation and discussion included the following:

- The policy would not have any fiscal impact.
- Mr. Porter stated that he did not think this policy would be controversial and he recommended that it be included in the Consent Agenda article.
- Because the amount of funding available under Chapter 90 is limited, the goal of the policy is to give citizens and residents a choice for a sidewalk with a step-by step approach to “skip to the front of the line” by paying a substantial, if not all of the, cost of the sidewalk through a betterment.
- The policy was modeled after the Town’s public way process that went into effect a few years ago.
- The policy would contain step-by-step instructions as to what the resident would need to do.

- If the sidewalk is for a minor road with a limited amount of use by town residents, the homeowner requesting the sidewalk might have to pay 100% of the cost for the sidewalk.
- If the sidewalk was for an area such as Washington Street where there is no sidewalk on both sides this might be an instance where it would be presented to Town Meeting to seek 50% of the cost but might not be guaranteed funding at Town Meeting. If funding fails then the residents have the opportunity to pay for it themselves.
- Mr. Porter's goal is instead of having to inform residents with a "no" on residents' requests for sidewalks, this option could be presented as an alternative to the resident.
- The policy was designed with input from Town Planner Laura Smead, DPW Superintendent Mike Trotta, Police Chief Ken Berkowitz and members of the Traffic Committee.

Comments from members of the Finance Committee included the following:

- Ms. Saint André questioned if this policy applied to only a public way. Mr. Porter stated that it was addressed in Step 2. A suggestion was made that a clarification should be added if it applied to public roads and not private ways.
- Ms. Saint André also inquired about more information regarding the streets included in "Major Road/Collector" and "Canton's Complete Streets Prioritization Plan." Mr. Porter would obtain the information from Laura Smead and provide it to the Finance Committee.
- Ms. Saint André questioned that if the sidewalk being requested was for a Major Road/Collector street, should the resident have to pay for the sidewalk or shouldn't it be paid by the Town. Mr. Porter responded that the intention of this is if the resident wanted to wait for it to be eventually done by the Town then they could, but by paying for it themselves they could essentially "go to the head of the line" with regard to the sidewalk improvement. He further explained that this policy was not to prevent sidewalks from going in, but that if neighbors were passionate enough for a sidewalk installation they would be willing to pay for it.

Mr. Porter indicated that there would be two items that residents would be voting on at Town Meeting: 1) the by-law instead of a new section under the Town's Administrative Code and 2) a Home Rule Petition asking the state to allow the Town to charge more than the current 50% betterment cost.

- Ms. Thomas spoke against including this article in the Consent Agenda and that it should be properly vetted at Town Meeting. Ms. Thomas also commented about the possible detrimental effect on a neighborhoods causing some dissention among neighbors if 75% agreed to a betterment and 25% did not agree to a betterment. The financial effects on the 25% of the neighbors not agreeing to the betterment could be financially crippling. While she is not opposed to creative ways to accomplishing improvements in a community, the general sense she has been receiving from various residents are that people are not of equal means.
- Mr. Barker stated that there could be differences in the use pattern of the sidewalks that could impact whether or not a betterment would be considered by residents. He used as an example that only a few neighbors would benefit from a less traveled sidewalk such as Elliot Street versus a resident paying a betterment for a heavily-traveled sidewalk such as Washington Street. The incentive would not be there for a resident on a heavily-traveled sidewalk to pay for a sidewalk betterment when they might be of the opinion that it should be the financial responsibility of the Town.

Mr. Porter is open to suggestions on this by-law but is of the opinion that it should be considered for the Consent Agenda because many people within the Town will have already vetted it. Mr. Porter stated that he was open to using another percentage instead of 75%.

Mr. Mauro had some questions and comments as follows:

- With regard to the statement in Determination of Funding “residents have the option to continue with the project funding 100% themselves”, does that imply the resident would give the money to the Town for the Town to do the work or would the resident do the project themselves? Mr. Porter stated that if Town Meeting does not fund the sidewalk repair due to lack of funds then it is implied that the Town would do the sidewalk (higher the contractors) but at the cost of the resident through a betterment.
- How would government contracts to build the sidewalk be affected if the sidewalk is funded by the resident? This would still fall under prevailing wage. The betterment is an agreement between the resident and the Town to pay a betterment through a higher property tax or an additional amount on their property taxes over the course of generally 10 years.
- With regard to how the betterment cost would be split among neighbors, Mr. Porter stated that this caused a considerable amount of debate when drafting the policy. He further explained that any property owner that owned property on the stretch of street being considered, regardless of which side of the street or the total frontal footage, residents would pay equal shares of the total betterment cost.
- Mr. Mauro asked a question with regard to easements, if a resident did not sign off on the betterment would they be forced to have a sidewalk in their area or opt out not to have a sidewalk in their area thereby creating a discontinuous section of sidewalk? Mr. Porter responded that he would not be in favor of moving forward with a discontinuous sidewalk. Mr. Porter stated that he was informed by DPW Superintendent Mike Trotta, who worked for Newton, that the policy in Newton was written in a manner so that a homeowner could have a sidewalk installed in front of their residence only.

D. Old Business

Mr. Mauro brought to the Finance Committee’s attention a capital request that had been discussed at a recent Capital Planning Meeting. The \$75,000 capital request is from the School Department for on-going districtwide HVAC special maintenance projects. The Finance Committee may be asked by the School Committee if this item should be in the regular School Department operating budget or as a regular capital request in the capital budget. Mr. Barker cautioned about what items would be added to the operating budget. Mr. Scollins would research this further and would get the technical answer for the Finance Committee.

There were no public comments.

E. Approval of Minutes

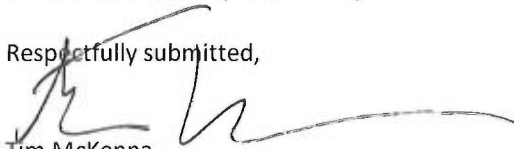
A motion made by Mr. Barker to approve the minutes for October 17, 2019 as written was seconded by Mr. Wong. Vote: 8-0-1.

F. Next Meeting Date: The next Finance Committee meeting will take place on February 10, 2020 at 7:00 p.m. with the School Department.

Adjournment: A motion made by Ms. Saint André to adjourn the meeting at 8:42 p.m. was seconded by Mr. Barker. Vote: 9-0-0.

Minutes reviewed by: Wai Wong

Respectfully submitted,


Tim McKenna

Chairman, Canton Finance Committee

**Canton Finance Committee Meeting
January 23, 2020**

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

Agenda for January 23, 2020. (1 page).

Community Preservation Committee – Information Regarding Surcharge Revenues, State Grants, FY21 Allocation estimates, Carryover Funds, (6 pages).

Community Preservation Committee – Recommendations to ATM 2020 (4 pages).

Finance Committee Meeting Schedule – Draft, dated 1/23/20 (1 page).

Draft Policy for New Installation of Sidewalks, Requests by Owners, Provided by BOS member Mark Porter (2 pages).

Meeting Minutes for October 17, 2019 (7 pages).

Process Used to Establish Operating Budget Targets (discussed at the Finance Committee meeting on 1/23/20) provided by former Finance Director, Jim Murgia (3 pages).