

Canton Finance Committee
Meeting Minutes
Thursday, March 1, 2018

Minutes Voted on: 3-22-18
Vote: 5-0-1

Members Present:

Rob Barker, Nichola Gallagher, Cynthia Holcombe, Tim McKenna, Barbara Saint André and Cindy Thomas.

Members Absent: All members were present.

Guests Present:

Dave Emhardt, Chairman, Capital Planning Committee
Bob Panico, Vice Chairman, Capital Planning Committee
Emilio Mauro, Jr., Member, Capital Planning Committee
Jim Murgia, Finance Director
Ellen Jones, Finance Committee Secretary

Opening: A meeting of the Canton Finance Committee was called to order by Chairman Barker at 7:03 pm. on Thursday, March 1, 2018 in the Salah Meeting Room of Town Hall.

A. Approval of Agenda

Chairman Barker reviewed the items on the agenda.

B. Announcements

Chairman Barker announced that the Finance Committee would not meet on March 19 and would meet on March 22 instead.

C. New Business

Discussion of FY19 Capital Planning Requests – Municipal and School Departments

Mr. Emhardt stated that the Capital Planning Committee (CPC) had met with the Municipal Departments on February 12th and the School Department on February 13th to discuss the capital requests for FY19. He also stated that on February 26th and 27th the CPC voted on the FY19 Municipal Departments and School Department capital requests.

Mr. Emhardt, Mr. Panico and Mr. Mauro presented the FY19 capital requests to the Finance Committee as follows:

Executive Request - Sidewalk Replacement - \$200,000 – Free Cash – Ms. Saint André recused herself from the discussion on this sidewalk capital request because she lives on one of the streets included in the project.

- This sidewalk replacement project is for Patriots Drive, Lexington and Margaret Street.
- The sidewalks are being removed from one side of the street and being replaced on the other side of the street for ADA accessibility.
- The funding source for this project will be free cash.
- The CPC supported this project with a vote of 4-0-1. One member abstained due to residing on one of the streets.

Ms. Saint André rejoined the meeting.

Executive Request – Senior Center HVAC Improvements - \$150,000 – Free Cash

- This capital project is to repair on-going heating issues in the Senior Center that were the result of design issues.
- The warranty for the equipment has already expired.
- The funding source for this project will be free cash.
- The CPC supported this project with a vote of 5-0. The CPC is hopeful that not all of the funds will be needed for the project.

Executive Request – Randolph Street/Washington Street Intersection Redesign - \$69,000 Free Cash

- A preliminary research study of the Randolph Street/Washington Street intersection has been completed through a grant program. This grant was done at no cost to the Town.
- A roundabout is not being considered as an option for this intersection.
- The plan is to install lights with turning lanes.
- Ms. Saint André stated that she attended a community meeting in which it was discussed that this study covered only the Washington Street/Randolph Street intersection and that some residents at the meeting were concerned that the study did not include the Washington Street corridor that included the intersections of Pleasant Street, Dedham Street and Chapman Street. Ms. Saint André stated further stated that she was not in favor of the Town spending funding on this project without a more comprehensive study being done.
- Mr. Emhardt stated that this study had been done within the bounds of the grant.
- This intersection will provide for crosswalks that do not currently exist in the area.
- Mr. Emhardt spoke as a resident, not as the Chairman of the CPC, that he was in favor of not having the study done until the Rt. 128 and Rt. 95 intersection is fixed.
- The \$69,000 is supposed to cover the whole redesign of the intersection.
- The Alternative 2 design was decided on at public hearings with the BOS, Town Administrator and Blue Ribbon Committee.
- Mr. Emhardt stated that the CPC understands the concerns of all traffic issues.
- The funding source for this project will be free cash.

Department of Public Works Request – Downtown Decorative Lighting Retrofit - \$35,000 – Free Cash

- This project is for retrofitting 58 decorative lights in the downtown area with LED lights.
- These downtown lights were not included in the original project for converting all streetlights in the Town to LED.
- The funding source for this project will be free cash. Mr. Murgia stated that the original LED street light conversion had been funded through free cash.

Mr. Emhardt reviewed the debt capital requests as follows:

Council on Aging Request – Replace 2 Buses - \$121,000 - Borrowing

- The CPC supported this request 5-0-0, however, they had reservations about two buses being replaced at the same time instead of staggering the purchases over a few years. Purchasing two buses at the same time could mean that they would need replacement at the same time in the future.
- Mr. Emhardt stated the Council on Aging lobbied hard with the CPC for the purchase of two buses.
- Funding for this capital request will be through a bond authorization.

Department of Public Works Request – Reservoir Pond Dam Repairs – \$300,000 - Borrowing

- ATM 2017 approved \$950,000 for repairs to the Reservoir Pond Dam.
- The Town received bids with the lowest bid of \$997,400. This \$300,000 request will supplement the \$950,000.
- The \$300,000 estimate includes a contingency.
- Funding for this capital request will be through a bond authorization.

- If any portion of the \$300,000 is not needed the Town can rescind the debt at a future Town Meeting.

Department of Public Works Request – Old Shepard Street Dam Repairs - \$700,000 - Borrowing

- This dam was inspected by MADEP Office of Dam Safety (OSD) in 2012 and was found to be in poor condition. The Town is required to remedy the situation.
- The design for the project was funded at the ATM 2015 meeting. The \$700,000 request will be used to make repairs to abutments and installation of rip rap.
- The \$700,000 includes a contingency cost.
- Mr. Murgia stated that if the Town is overspending its debt capacity for the fiscal year, debt capacity for future years would be reduced to keep the plan balanced.
- Ms. Saint André expressed concern if this funding would be enough to cover the costs needed to complete the repairs.
- The DPW has issued an IFB (Invitation for Bid) in order to have a bid in hand before Town Meeting.

Mr. Emhardt discussed a few of the cash capital municipal requests as follows:

Library Request – Roof Repairs - \$45,000 – Cash Capital

- One area in particular of the Library roof was a major concern for Library Director Mr. Lague.
- The Library had supplied detailed pictures of the condition of the roof to the CPC.
- The Library’s original capital request for roof repairs was \$13,000, however, after further evaluation of the condition of the roof the request was increased to \$45,000.
- The CPC supported the increased request.

Mr. Emhardt explained a few of the department’s capital requests that **were not supported** as follows:

- Parks & Recreation Request – Carpeting for the **Armando Recreation Center - \$7,000** – This capital request was not supported because there were other requests that were of a higher priority. The carpet request was a low priority.
- Property Maintenance Request – **Replace Roof at Main Entrance to Memorial Hall - \$25,000** – This request was removed because it could be eligible for CPA funding.
- Ms. Thomas questioned as to why the **Parks & Recreation’s requests** for a Dump Truck (\$76,000), a Grounds keeping Trailer (\$8,000), a Utility Vehicle (\$25,000) and a Zero Turn Mower (\$17,000) were not approved, given that these items were being requested for the upkeep of the Paul Revere Heritage Site. Mr. Emhardt stated that the Town has not taken possession of the property yet and that for now \$50,000 was being requested in the Parks & Recreation FY19 operating budget to hire an outside vendor for the maintenance of the property.
- Fire Department – **Office Furniture - \$30,000** – This request was not supported and was a low priority on the Fire Chief’s list of capital requests. The Fire Chief was able to acquire furniture from the Town of Sharon.

Mr. Emhardt stated that they **supported the Manager of Information Systems cash capital request for \$160,000 for a Storage & Backup Appliance** as this would help to increase storage capacity, decrease space and decrease cooling.

Mr. Emhardt reviewed for the Committee the following Water and Sewer Enterprise Fund capital requests:

Water Enterprise Fund – Replace Filtration Unit at Sullivan Treatment Facility - \$106,000 – Cash Reserves

- This request is to replace water filtration units that are eight years old.
- The existing water line and iron pipe with concrete lining is accidentally picking up some of the iron.
- Life expectancy of a replacement line is 10 years.
- Replacement of this line will help the Town maintain a high treatment rating from the MADEP.
- The CPC supported this request 5-0-0.

- Funding for this request would be water enterprise surplus (retained earnings).

Water Enterprise Fund – Replace Water Meter Reading Devices - \$18,000 – Cash Reserves

- This request is to replace two handheld meter reading devices that are 15 years old.
- These devices need to be replaced to keep up with technology that is compatible with the Water Division’s meter reading system.
- Funding for this request would be water enterprise surplus (retained earnings).

Water Enterprise Fund – Integrated Water Resources Management Program - \$200,000 – Cash Reserves

- This request is for part five of a five-year plan to implement data software for managing the Town’s water, wastewater and storm water infrastructure.
- There will be an ongoing annual cost of \$20,000 to \$30,000 for licensing fees.
- Funding for this request would be from water enterprise surplus (retained earnings).

Sewer Enterprise Fund – Integrated Water Resources Management Program - \$200,000 – Cash Reserves

- This request is the sewer portion of the five-year Integrated Water Resources Management plan for implementing data software for managing the Town’s water, wastewater and storm water infrastructure.
- Funding for this request will be from sewer enterprise surplus (retained earnings).

Water Enterprise Fund – Water Treatment Facilities Computer System - \$30,000 – Cash Reserves

- This request is for a backup computer so the department can operate the water treatment facilities remotely.
- Mr. Emhardt stated that the Town is in a good position with its water options – nine wells, two water treatment plants and the option of MWRA.
- Funding for this request will be from water enterprise surplus (retained earnings).

Water Enterprise Fund – Replace Water Line to Sullivan Treatment Facility - \$2,440,000 - Borrowing

- Mr. Emhardt reported that the current water line to the Sullivan Treatment Facility is an iron raw water feed pipe and is over 60 years old.
- Test results have indicated some failure of the interior surface of the line with calcium and iron leaking in.
- The new line will not be located in the exact position of the existing line.
- To lessen the environmental impact to the Neponset flood plain, trenchless horizontal directional drilling (HDD) will be done for installation of the new line.
- Mr. Emhardt also stated that the water rates would not be affected.
- The line will cover approximately 1,700 linear feet.
- The \$2,440,000 project will be for engineering and design of the water line and will include 20% or \$361,000 for construction contingencies and 15% or \$270,750 for engineering, permitting and administration.
- The existing water line will be abandoned in place.
- According to Mr. Murgia the funding for this project will be a bond authorization over 20 years and will have an approximately \$120,000 principal payment per year.
- Mr. Murgia stated that he is hopeful the project will not increase the water rates. He also stated that the total debt service of the Town is decreasing since the borrowing for projects is being paid down.

Cash Capital Requests – Municipal Departments (\$750,000) and School Department (\$750,000)

Mr. Emhardt reported that CPC voted 5-0-0 in support of the \$750,000 cash capital requests for the Municipal Departments and \$750,000 for the School Department.

Debt Capital Request – John F. Kennedy Elementary School – Modular Classrooms - \$2,000,000 – Borrowing

Mr. Emhardt provided the following information regarding the School Department’s request for modular classrooms at the JFK Elementary School:

- The School Committee had indicated to the CPC three possible locations for the modulars at the JFK: to the right of the building, to the front right of the building and behind the building.
- Mr. Emhardt indicated that the School Committee could not provide to the CPC detailed information regarding the number of classrooms, bathroom facilities, the square footage, connectivity to the main building etc.
- Ms. Saint André expressed the hesitancy with the \$2 million request especially with all of the other necessary capital requests, the lack of information as to the number of classrooms and the temporary nature of the project versus a more permanent solution.
- There were questions by the Finance Committee as to why the School Committee had estimated to the CPC that the project could take 5-7 years to build a more permanent brick and mortar building, when their larger scale plans for the district were to take 5-7 years.
- There was also uncertainty as to the lifespan of the modulars and if there would be any resale value.
- Chairman Barker commented that the School Committee had reported at a Finance Committee last fall that the School Committee was not anticipating any great influx of students
- Ms. Saint André stated that she was in support of a more permanent solution.
- Mr. Emhardt stated that the ideal solution would be to purchase modulars for the fall of 2019 and move forward with a permanent solution in place for the future. The purchase of the modulars would be at least a solution for the next eight years.

Debt Capital Request – Canton High School and Galvin Middle School Wi-Fi Backbone - \$150,000 - Borrowing

Mr. Emhardt stated that this request is a one-time cost that would provide much needed Wi-Fi technology to meet current technology needs.

Debt Capital Request – Canton High School HVAC Roof Top Unit #11 - \$123,000 – Borrowing

The current HVAC unit is over 16 years old with increasing maintenance costs. The life expectancy is usually 10-19 years. The CPC supported this request 5-0-0.

D. Other Business/Open Issues

The Finance Committee voted the following articles:

Vote – Article 12 – “Omnibus” Capital Outlay Program

Vote – Article 12 Motion 1 – Finance Director Authorization & Buildings Renovation Committee of Capital Items

A motion made by Ms. Saint André that Article 12 Motion 1 be recommended as follows:

(a) The acquisition of all vehicles and other motorized equipment that is authorized to be purchased or otherwise acquired by any motion made under this warrant article shall be under the responsibility of the Finance Director/Chief Procurement Officer. In addition to the procurement, the “trade-in” or other disposition of all vehicles and other motorized equipment being replaced is also authorized and shall be under the responsibility of the Finance Director/Chief Procurement Officer. In all cases where by a motion made under this warrant article, a vehicle or other piece of motorized equipment is to be acquired by a town agency such purchase or acquisition shall be subject to and bound by the detailed specifications regarding such purchase or acquisition on file in the office of the Town Clerk; provided, however, the Finance Director/Chief Procurement Officer, may, in appropriate circumstances, waive or modify the said detailed specifications, subject to a vote of the Finance Committee, taken within 30 (thirty) days following a decision to waive or to modify the foregoing provision requiring full compliance with the specifications on file.

(b) All building related projects which are approved and or funded by any motion made under this article shall be under the responsibility of the Building Renovations Committee appointed pursuant to Canton By-law, Article X, section 4, except as may be provided by any specific motion made pursuant to this article.

was seconded by Ms. Thomas. Vote: 6-0-0.

Vote – Article 12 Motion 2 – Municipal - Cash Capital - \$750,000

A motion made by Ms. Saint André that \$750,000 be appropriated from the Fiscal Year 2019 tax levy and other general revenues of the Town to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of various Municipal Departments as written in the warrant was seconded by Ms. Thomas. Vote: 6-0-0.

Vote – Article 12 Motion 3 – School – Cash Capital - \$750,000

A motion made by Ms. Saint André to recommend that \$750,000 be appropriated from the Fiscal Year 2019 tax levy and other general revenues of the Town, for the Canton School Committee to expend for the purpose of purchasing certain items of property set forth in the warrant was seconded by Ms. Thomas. Vote: 6-0-0.

Vote – Article 12 Motion 4 – Municipal – Free Cash - \$454,000

Ms. Saint André recused herself from Article 12 Motion 4. Ms. Saint André requested that the Committee separate the \$454,000 motion into individual motions for voting, especially the \$69,000 being requested for the Randolph Street/Washington Street Intersection Redesign project. Ms. Saint André stated that without a comprehensive review of the Washington Street corridor including intersections at Dedham Street, Pleasant Street and Randolph Street the \$69,000 for only the Randolph Street intersection would be a waste of money.

A motion made by Mr. McKenna to recommend that \$200,000 be appropriated from Free Cash for sidewalk replacement was seconded by Ms. Thomas. These sidewalks were in the Patriots/Lexington Street area.

Ms. Saint André, speaking as a resident living on one of the streets that would be having its sidewalk replaced, stated that she was very concerned that the Town had not notified abutters of the work that would be done on these sidewalks. She had not received any notification of the work. Mr. Emhardt stated that the Town had received a complaint from a resident in the area and that they have a young person living in the area with a disability that requires these sidewalks be made ADA compliant. The Town would be doing this sidewalk replacement project to avoid any additional costs due to legal repercussions. Vote: 5-0-0. Ms. Saint André, rejoined the meeting.

A motion made by Mr. McKenna to recommend that \$150,000 be appropriated from Free Cash for Senior Center HVAC Improvements was seconded by Ms. Gallagher. Vote: 6-0-0.

A motion made by Ms. Thomas to recommend that \$35,000 be appropriated from Free Cash for the Downtown Decorative Lighting Retrofit project was seconded by Ms. Gallagher. Vote: 6-0-0.

A motion made by Ms. Gallagher to recommend that \$69,000 be appropriated from Free Cash for the Randolph Street/Washington Street Intersection Redesign project was seconded by Mr. McKenna. Vote: 4-2-0.

Ms. Saint André and Ms. Thomas voted in opposition to this request because it lacked sufficient funds to do a more comprehensive study of the Washington Street corridor. Ms. Saint André volunteered to write the minority discussion for this motion.

Vote – Article 12 – Motion 5 – Reservoir Pond Dam Repairs – Borrowing \$300,000 to Supplement \$950,000 from ATM 2017

A motion made by Ms. Saint André to recommend that \$300,000 be appropriated to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of the Department of Public Works Superintendent and the Board of Selectmen for the purpose of the repair of the embankment and the replacement of spillways at the Reservoir Pond Dam and to meet said appropriation the Town Treasurer, with the approval of the Board of Selectmen, be authorized to borrow, pursuant to any applicable statute or any other enabling authority as may be, the sum of \$300,000 thereby increasing the appropriation voted in Article 12 Motion 10 of the 2017 Annual Town Meeting of \$950,000 to \$1,250,000 with the intent that said funds shall be available in FY18 and furthermore, any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount was seconded by Ms. Gallagher. Vote: 6-0-0.

Vote – Article 12 Motion 6 – Two Council on Aging Buses and Old Shepard Street Dam Repairs - \$821,000 - Borrowing

A motion made by Ms. Saint André to recommend that \$821,000 be appropriated to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of the Department of Public Works Superintendent or Council on Aging Director as may be applicable, and the Board of Selectmen to pay costs of various capital projects and equipment as set forth below and to meet said appropriation the Town Treasurer, with the approval of the Board of Selectmen, be authorized to borrow, pursuant to any applicable statute or any other enabling authority as may be, the sum of \$821,000 was seconded by Ms. Gallagher. Vote: 6-0-0

Vote – Article 12 Motion 7 – John F. Kennedy Elementary School Modulars - \$2,000,000 - Borrowing

Ms. Saint André recommended that the Finance Committee delay their vote on the \$2,000,000 for modulars until they have heard from the School Committee at the meeting on March 14, 2018. The Committee did not vote.

Vote – Article 12 Motion 8 – School Debt – CHS/GMS Wi-Fi Backbone and CHS HVAC - \$273,000 - Borrowing

A motion made by Mr. McKenna to recommend that \$273,000 be appropriated to be spent by the School Committee to pay costs of various capital projects and equipment (CHS/GMS Wi-Fi Backbone and CHS Roof Top Unit #11) and to meet said appropriation the Town Treasurer, with the approval of the Board of Selectmen, be authorized to borrow, pursuant to any applicable statute or any other enabling authority as may be, the sum of \$273,000 was seconded by Mr. McKenna. Vote: 6-0-0.

Vote – Article 12 Motion 9 – Various Items - \$364,000 – Water Retained Earnings

A motion made by Ms. Saint André to recommend that \$364,000 be appropriated to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of the Department of Public Works Superintendent and the Board of Selectmen for the purposes of various water capital projects as set forth below and to meet said appropriation \$364,000 be transferred from the water enterprise surplus (retained earnings)

<u>RECOMMENDATIONS</u>	<u>FINCOM AMOUNT</u>
Replace Filtration Unit at Sullivan Treatment Facility	\$106,000
Replace Water Meter Reading Devices	18,000
Replace Office Copier	10,000
Integrated Water Resources Management Program	200,000
Water Treatment Facilities Computer System	30,000
TOTAL	<u>\$364,000</u>

was seconded by Ms. Thomas: 6-0-0

Vote - Article 12 Motion 10 – Water Line Replacement to the Sullivan Water Treatment Facility - \$2,440,000- Borrowing

A motion made by Ms. Saint André to recommend that \$2,440,000 be appropriated to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of the Department of Public Works Superintendent and the Board of Selectmen to pay for a water line replacement to the Sullivan Water Treatment Facility and to meet said appropriation the Town Treasurer with the approval of the Board of Selectmen be authorized to borrow pursuant to any applicable statute or any other enabling authority as may be, the sum of \$2,440,000 was seconded by Ms. Thomas. Vote: 6-0-0.

Vote – Article 12 Motion 11 – Integrated Water Resources Mgmt. Program - \$200,000 – Sewer Retained Earnings

A motion made by Ms. Saint André to recommend that \$200,000 be appropriated to be spent by the Finance Director (in his capacity as Chief Procurement Officer) with the approval of the Department of Public Works Superintendent and the Board of Selectmen for the purpose of an integrated water resources management program and to meet said appropriation \$200,000 be transferred from the sewer enterprise surplus (retained earnings) was seconded by Ms. Thomas. Vote: 6-0-0.