



Canton Finance Committee
801 Washington Street
Canton, MA 02021

Minutes Voted on: 7-30-20
Vote: 5-0-2

Meeting Minutes
June 19, 2020

Finance Committee Members Present: Christos Arsoniadis, David Clough, Dan Cole, Emilio Mauro, Tim McKenna, Barbara Saint André, Cindy Thomas and Wai Wong.

Finance Committee Members Absent: Rob Barker.

Guests Present:

Diane Tynan, Council on Aging Director
Randy Scollins, Finance Director
Ellen Jones, Finance Committee Secretary

Opening: Chair McKenna called the meeting to order at 4:03 p.m. via Zoom virtual meeting.

Approval of Agenda: Chair McKenna reviewed the agenda.

New Business

Discussion of Revenue Relief, CARES Act, Budget Reductions, State Aid – Mr. Scollins provided an overview for the Finance Committee.

- Canton has not yet received notice from the state regarding the Town receiving revenue relief.
- The Finance Committee had already voted a \$1.4 million reduction to General Fund budgets based on a reduction in estimated local receipts.
- Mr. Scollins is recommending to the Finance Committee an additional \$1 million reduction.
- The current language in the CARES Act does not allow for revenue replacement. Legislators are lobbying for language changes in the CARES Act. Canton's allotment from the CARES Act is \$2.8 million. Mr. Scollins stated that it is not prudent to pass a budget assuming the Town will receive the full level of the \$2.8 million fund.
- The BOS voted to support a \$116,667 municipal operating budget reduction and a \$100,000 municipal cash capital reduction under Article 12 Motion 2.
- The School Committee voted to support a \$233,333 school operating budget reduction and a \$100,000 school cash capital reduction. Mr. Scollins did not receive information from the School Department as to the specific areas targeted for operating budget reductions because they have bottom line authority. Ms. Thomas stated that the School Committee did indeed vote specific operating cuts and that they were waiting for DESE guidelines about the fall schedule. The Business Manager has provided to Mr. Scollins the specific cash capital reductions for Article 12 Motion 3. Mr. Scollins screen shared these for the Committee.
- Two additional transfers have been added to Article 54 Motion 1, each for \$100,000.
- While the School Department could incur additional expenses related to PPE, their transportation costs could decrease if students are split between the classroom and virtual learning. The CARES Act would cover expenses for computer purchases for virtual classroom.
- The Town has not spent any of the CARES funds received to date.
- Local receipts to date have exceeded the budgeted amount by \$300,000.
- No existing employees will be impacted by operating budget reductions.
- The Town is standing firm regarding the trash budget. Unfortunately the trash company is entitled to their fees based on markets. The next trash contract will be more expensive because of hauling costs.
- FY20 budgets will be coming in within budget or under budget.
- Mr. Scollins stated that Ms. Butters, the Town Accountant, is doing a great job tracking expenses related to COVID. At year end approximately 75% of COVID expenses will be moved into FEMA and the rest into the CARES Act Fund.
- With regard to the OPEB Trust Fund, Mr. Scollins is recommending a reduction to the FY21 contribution to the fund. He further stated that some municipalities are reducing their contribution to OPEB by 100%. He also stated that the Town should be contributing at double the amount currently being contributed. Mr. Scollins will be advocating for plan design changes to the Town's insurances. The current OPEB total liability is \$90 million.
- Mr. Scollins reviewed the municipal operating budget cuts for seven departments.

Discussion with Diane Tynan, Council on Aging Director

Ms. Tynan thanked the Finance Committee for allowing her to advocate for the Council on Aging budget, specifically the \$36,000 request for a new Outreach Worker position which has been recommended as part of the budget cuts. She stated that they are the only public human services organization in Town that provides services to all ages, not just the senior population, who have varying needs such as public benefits, unemployment, mental health, evictions, foreclosures, Section 8 applications, CHAMP as well as transportation services, to name only a few of the services they provide. There is only one 35-hour Outreach Worker providing all these services which is overwhelming for one person. Ms. Tynan is predicting that request for services will increase in these unprecedented times. A suggestion was made by a Finance Committee member to use volunteers for helping the Outreach Worker. Ms. Tynan stated that because of the confidentiality of the work it would not be possible to utilize volunteers.

Mr. McKenna thanked Ms. Tynan and stated that the Finance Committee will consider the COA \$36,000 request for the new Outreach Worker position. Mr. McKenna is sympathetic to the Council on Aging presentation but he is concerned that the Board of Selectmen, School Committee and Capital Planning Committee have taken a holistic approach at fairly apportioning the spending cuts among the Town’s various departments and that he is reluctant to counteract the decisions of other public bodies.

State Aid – Mr. Scollins asked the Finance Committee to consider and vote a \$1 million reduction to state aid. A Finance Committee member commented that the Finance Committee does not usually vote on state aid. Mr. Scollins stated that the Finance Committee accepted the Revenue Committee’s recommendations earlier in the year but that it would be okay if the Finance Committee did not want to take a vote on the \$1 million reduction.

Vote – ATM Article 54 Motion 1 – Transfer Available Funds

Mr. Scollins stated that the \$100,000 transfer from Free Cash to operating budgets would be a one-time addition to the budget and would not be a permanent addition built into the bases budget going forward. He further stated that the other transfer being recommended was a transfer of \$100,000 from the Dental Insurance Trust Fund to Dental Insurance Costs. This would be used to cover the Town’s share of the dental budget and would not compromise the healthy balance of \$890,000 in the Dental Trust Fund.

A motion made by Ms. Saint André to increase the transfers of \$2,659,928 as printed in the warrant by adding a \$100,000 transfer from Dental Insurance Trust to Dental Insurance Costs and a \$100,000 transfer from Free Cash to General Fund Budgets for a new grand total of transfers of \$2,859,918 was seconded by Mr. Clough.

Ms. Saint André pointed out to the Finance Committee that the use of Free Cash for operating budgets “crossed the rubicon”. Ms. Thomas agreed that the Finance Committee should be cautious with this process.

Roll Call Vote:

Mr. Saint André	Aye	Mr. Arsoniadis	Aye
Mr. Mauro	Aye	Ms. Thomas	Aye
Mr. Cole	Aye	Mr. McKenna	Aye
Mr. Clough	Aye	Mr. Wong	Aye

The motion passed 8-0-0.

Vote – ATM Article 54 Motion 2 – Municipal Departments Operating Budget

A motion made by Ms. Saint André that seven municipal departments operating Budgets be reduced by \$116,667 as provided by Mr. Scollins’ in his exhibit entitled “Potential Municipal Operating Budget Reductions” was seconded by Ms. Thomas.

Mr. Scollins offered, with reservations, another option for the Committee to consider – reducing the OPEB contribution by \$36,000 and restoring the Council on Aging’s \$36,000 request for an Outreach Worker position.

An amended motion made by Mr. Cole that the \$116,667 budget reduction be reduced by \$36,000 to restore the \$36,000 COA Outreach Worker position was seconded by Mr. Clough.

Mr. McKenna stated that the \$36,000 request being restored to the Council on Aging budget would be permanent in the COA budget going forward. There could be an impact to the benefits budget since this would be a benefits-eligible position and the impact to the annual OPEB liability might be \$3,500 to \$5,000 per year.

Ms. Saint André expressed concern as to how these budget changes would be presented to the voters. Mr. Scollins stated that the easiest way to convey how the numbers have changed is to direct the voters at Town Meeting to a particular page in the ATM booklet. No documents would be distributed at the meeting. These changes are not on-line yet because the Finance Committee has not voted them. Mr. Scollins stated that they will be put on-line once

voted. Mr. Clough suggested distributing information via cell phones. Ms. Thomas commented that perhaps substitute motions had to be provided. Ms. Saint André stated that the Finance Committee would make the substitute motions. Members are concerned if the physical set up would be conducive to clearly showing the voters the changes being made.

Amended motion Roll Call Vote:

Mr. Wong	Aye	Mr. Cough	Aye
Ms. Saint André	Aye	Mr. Arsoniadis	Aye
Mr. Mauro	Aye	Ms. Thomas	Aye
Mr. Cole	Aye	Mr. McKenna	Aye

The motion passed 8-0-0.

Vote – ATM Article 54 Motion 2 – School Operating Budget

A motion made by Ms. Saint André that the School Operating Budget of \$46,419,604 as printed in the warrant be reduced by \$233,333 was seconded by Ms. Thomas.

Roll Call Vote:

Mr. Wong	Aye	Mr. Cough	Aye
Ms. Saint André	Aye	Mr. Arsoniadis	Aye
Mr. Mauro	Aye	Ms. Thomas	Aye
Mr. Cole	Aye	Mr. McKenna	Aye

The motion passed 8-0-0.

Vote – ATM Article 54 Motion 2 – Fixed Costs Budget

Mr. Scollins recommended that the Snow & Ice Budget listed in the warrant be reduced from \$700,500 to \$650,500 based on historical averages. He further stated that once the Snow & Ice Budget were increased it could not be decreased. Mr. Scollins

A motion made by Ms. Saint André that the Reserve Fund budget request printed in the warrant be reduced from \$700,000 to \$600,000, the Snow and Ice budget request be reduced from \$700,500 to \$650,500 and the OPEB request be reduced \$1,050,000 to \$950,000 and further reduced by \$36,000 (for the Council on Aging Outreach Worker funding) to \$914,000 was seconded by Ms. Thomas.

Roll Call Vote:

Mr. Wong	Aye	Mr. Cough	Aye
Ms. Saint André	Aye	Mr. Arsoniadis	Aye
Mr. Mauro	Aye	Ms. Thomas	Aye
Mr. Cole	Aye	Mr. McKenna	Aye

The motion passed 8-0-0.

Vote – ATM Article 12 Motion 2 (Municipal Cash Capital) and Motion 3 (School Cash Capital)

A motion made by Ms. Saint André that the Municipal Cash Capital (Article 12 Motion 2) be reduced by \$100,000 from \$650,000 to \$550,000 and that the School Cash Capital (Article 12 Motion 3) be reduced by \$100,000 from \$600,000 to \$500,000 was seconded by Ms. Thomas.

Roll Call Vote:

Mr. McKenna	Aye	Mr. Cole	Aye
Ms. Thomas	Aye	Mr. Mauro	Aye
Mr. Arsoniadis	Aye	Ms. Saint André	Aye
Mr. Clough	Aye	Mr. Wong	Aye

The motion passed 8-0-0.

Reconsideration and Vote - STM Article 8 – Additional Recommendation of the Community Preservation Committee: Canton Emergency Rental Assistance Program

The Board of Selectmen deferred the subject matter of STM Article 8 due to lack of information at the time of their vote. Mr. McKenna stated Ms. Lopez provided additional information regarding the Emergency Rental Assistance Program at the June 15th virtual informational meeting.

A motion made by Mr. Clough that the subject matter of STM Article 8 be deferred to Special Town Meeting was seconded by Mr. Wong. Ms. Saint André stated this motion was the same motion already in the STM warrant.

An amended motion made by Mr. Mauro to recommend the establishment of an Emergency Rental Assistance Program and an appropriation of up to \$52,000 from the Community Preservation Committee's Community Housing Fund was seconded by Ms. Saint André.

Mr. Clough inquired if the Community Housing funds could be used to assist residents that may be in nursing home care. Mr. McKenna stated that he did not think this was a valid use of Community Housing funds.

Roll Call Vote:

Mr. Wong	Abstain	Mr. Cough	No
Ms. Saint André	Aye	Mr. Arsoniadis	Aye
Mr. Mauro	Aye	Ms. Thomas	Aye
Mr. Cole	Abstain	Mr. McKenna	Aye

The motion passed 5-1-2.

Ms. Saint André left the virtual meeting at 6:00 p.m.

Next Meeting Date: Mr. Scollins recommended the Finance Committee meet in the near future to consider and vote year end budget transfers.

2 Vacancies - Finance Committee - Mr. McKenna acknowledged that two members were not seeking renewal of their terms. He thanked Mr. Arsoniadis and Ms. Saint André for their service. Mr. Arsoniadis stated that it was a pleasure serving on the Finance Committee for the past two years and that he gained a considerable knowledge of the Town's finances. Mr. Arsoniadis' demands of a new job conflicts with the Finance Committee's busy budget season.

Ms. Thomas stated that interested citizens who wish to serve on the Finance Committee should contact the Town Moderator instead of the Board of Selectmen's office.

Town Meeting – Mr. McKenna stated Annual Town Meeting would start at 6:00 p.m. on Monday, June 22, 2020 and suggested members arrive early as there could be long lines at check-in due to social distancing rules. He further stated that he would be on a conference call at 11:00 a.m. on Monday to discuss if Town Meeting would be delayed due to inclement weather. Mr. Scollins and Ms. Jones would reach out to the members if Town Meeting is postponed.

Approval of Minutes – The Finance Committee did not approve minutes listed on the agenda.

Adjournment: A motion made by Mr. Wong to adjourn the meeting at 6:08 p.m. was seconded by Mr. Mauro.

Roll Call Vote:

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

The motion to adjourn at 6:00 p.m. passed 7-0-0.

Minutes reviewed by: Committee Members

Respectfully submitted,


Timothy McKenna
Chair, Canton Finance Committee

**Canton Finance Committee Meeting
June 19, 2020**

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

For information regarding department budget requests please follow the below link:

<https://www.town.canton.ma.us/DocumentCenter/View/5658/FY21-Municipal-Budget---Dept-Requests---Jan-2020>

Agenda for June 19, 2020.

Planning for Possible \$1 million, or 10%, in State Aid Reductions, for discussion purposes only.

Potential Municipal Operating Budget Reductions, for discussion purposes only.

Potential Risks for FY 2021 General Fund Funding Sources – An Early Assessment.

FY 2021 Budget Reductions Scenarios.

Documents dated 6/4/20, provided by Randy Scollins, Finance Director.

Summary of Revenues and Expenditures, 2 pages.

State Aid.

Transfers from Other Funds.

Vote to Transfer Available Funds.

FY 21 Municipal Operating Budgets (revised 4/28/20) dated 6/18/20.

Fixed Costs and State and County Charges dated 6/18/20.