



**Canton Finance Committee
801 Washington Street
Canton, MA 02021**

Minutes Voted on: 10/13/21
Vote: 6-0-1

**Meeting Minutes
July 7, 2021**

Finance Committee Members Present: Dan Cole, Thomas Emery, Emilio Mauro, Tim McKenna, Reuki Schutt, Cindy Thomas and Wai Wong.

Finance Committee Members Absent: David Clough.

Guests Present:

Ellen Jones, Finance Committee Recording Secretary
Randy Scollins, Finance Director

Opening: Chair McKenna called the Zoom virtual meeting to order at 7:00 p.m.

Approval of Agenda: Mr. McKenna announced that the main purpose of the meeting was to discuss fiscal year end budget transfers and reorganization of the Finance Committee.

New Business

Chair McKenna welcomed new Finance Committee member Tom Emery.

Reorganization of the Finance Committee – Election of Chair and Vice Chair

A motion made by Mr. McKenna to nominate Ms. Thomas as the Vice Chair of the Finance Committee was seconded by Mr. Mauro.

Roll Call Vote:

Mr. Cole	Aye	Mr. Wong	Aye
Mr. Emery	Aye	Mr. McKenna	Aye
Mr. Mauro	Aye	Ms. Thomas	Aye

The motion passed 6-0-0. Ms. Schutt was off-line at the time the vote was taken.

A motion made by Ms. Thomas to nominate Mr. McKenna as the Chair of the Finance Committee was seconded by Mr. Mauro.

Roll Call Vote:

Ms. Thomas	Aye	Mr. Mauro	Aye
Mr. Cole	Aye	Mr. Wong	Aye
Mr. Emery	Aye	Mr. McKenna	Aye

The motion passed 6-0-0. Ms. Schutt was off-line at the time the vote was taken.

Update on Committee Liaisons

The liaison list was distributed to the members prior to the meeting and was also projected by Mr. Scollins on the Zoom meeting screen. Chair McKenna explained that it was up to the liaison and the department manager as to how frequent to meet regarding a department's budget. The liaisons help to maintain a line of communication with various departments so that the Finance Committee will have an understanding as to how the various town departments operate and their priorities regarding staffing, supplies etc. Mr. McKenna asked for the members to review the list and to place the list on the next agenda for further discussion. A few liaison positions were open due to the resignation of Tom Theodore and the term expiration of Rob Barker. The Finance Committee recording secretary was asked to recirculate the liaison list to the Committee members.

FY21 – Budget Deficits – End of Year Budget Transfer Requests

Mr. Scollins explained that there were three Reserve Fund Transfer Requests to end FY21, June 30, 2021 but that invoices were still being processed by the Finance Department through the following week. Last year the Reserve Fund was funded a budget of \$700,000 which is controlled by the Finance Committee. A budget for the Reserve Fund is voted at Town Meeting for the purpose of transferring out to departments that have unforeseen or

unexpected budgetary impact/shortfalls. If funds in the Reserve Fund are not used the funds drop out to the undesignated fund or free cash. In FY20 the Finance Committee did not approve any transfers from the Reserve Fund. These funds dropped out to free cash.

For FY21 the Reserve Fund budget was budgeted at \$600,000. Earlier in FY21 when the School Department was trying to gather enough funding to manage through the pandemic's impact on the School Department, they had requested \$370,000 from the Reserve Fund which the Finance Committee approved. The balance of the Reserve Fund is \$230,000. The total of the three Reserve Fund requests total \$67,171 leaving a balance of \$162,829 to drop out to the undesignated fund balance or free cash.

Elections & Registrar's FY21 Reserve Fund Transfer Request - \$3,911

The expected shortfall at fiscal year-end for the Elections & Registrar's total budget of \$66,000 would be \$6,000. The reason for the reserve fund transfer request is due to tables and chairs that were rented from Special Occasion Rental for the May 22, 2021 Annual Town Meeting. There was no budget for this expense and all of the CARES Act funds had been spent by the time this invoice was received. The total of \$3,911 was the actual cost of the chair rental. The combined annual budget shortfall for the Elections & Registrar's budget and the Town Clerk's budget is \$6,000.

Town Clerk FY21 Reserve Fund Transfer Request - \$3,260

The annual budget for the Town Clerk is \$216,645. The FY21 shortfall in this department is \$500. This expense is related to all of the additional advertising in the Canton Citizen for the election and Town Meeting due to COVID. There was additional communication needed for notifying the public of these meetings. There was a limited budget for this expense and all of the CARES Act funds had been spent. This particular Town Clerk advertising budget line item is budgeted at \$1,000 but came in at \$4,260. The reserve fund request for the Town Clerk is specifically aligned with this area in the budget.

DPW – Highway Equipment Maintenance FY21 Reserve Fund Transfer Request - \$60,000

The annual budget for the Highway Equipment Maintenance budget is \$329,698. This budget will have a shortfall of \$99,974. The reason why the reserve fund transfer request is less than the \$99,974 deficit is because there will be a surplus of \$40,000 in all of the other DPW budgets combined. Typically the DPW budgets are voted as one number at the Annual Town Meeting. The reason for the budget deficit is the extraordinary maintenance and repair expenses related to multiple vehicles.

Mr. Mauro inquired if any of the vehicles involved in these expenses were to be replaced in the current capital cycle. Mr. Scollins reported that not all of the vehicles were included in these expenses but the CAT Loader was the largest expense item among these repairs and was included as a capital request for FY22.

These three requests would most likely be the only requests for year end for FY21. Mr. Scollins stated that he reviews trending on a monthly basis with regard to payroll and expense and that the final payroll for June has been processed. All of the other areas will come in at or under budget. The only other deficit in FY21 was in the Snow & Ice Budget which was solved at Annual Town Meeting. A total of \$200,000 had been requested to resolve the Snow & Ice Budget deficit, but the actual deficit was expected to be \$184,000-\$185,000.

Mr. Scollins explained the process he uses to handle budget overruns. If a department has an unanticipated overrun or expense they notify him. However, Mr. Scollins does not solve the overrun immediately but waits. The only overrun that was solved immediately was the School Department's COVID-related expense. Mr. Scollins prefers to wait until year end to solve a department's operating budget deficit to see how the department runs over the balance of the budget year because there could be savings in other areas.

The total of the three FY21 reserve fund requests is \$67,171.

A motion made by Mr. Mauro that the Finance Committee approve FY21 Reserve Fund Transfer Requests totaling \$67,171 to be transferred in the following manner: \$3,260 to the Town Clerk's budget, \$3,911 to the Elections & Registrar's budget and \$60,000 to the Department of Public Works Highway Equipment Maintenance budget was seconded by Ms. Schutt. The remaining Reserve fund balance of \$162,829 will drop out to free cash.

Roll Call Vote:

Ms. Thomas	Aye	Ms. Schutt	Aye
Mr. Cole	Aye	Mr. Wong	Aye
Mr. Emery	Aye	Mr. McKenna	Aye
Mr. Mauro	Aye		

The motion passed 7-0-0.

Discussion of the Impact of the Latest Federal Stimulus Bill – American Rescue Plan Act (ARPA)

Mr. Scollins stated that the latest impact from the Federal Government is known as the American Rescue Plan Act (ARPA). Approximately \$2.5 million will be coming directly to the Town of Canton for purposes outlined in the ARPA Act. Also \$137 million was allocated to the Norfolk County Commissioners to use as they see fit within the guidelines. Norfolk County did not receive any funds in the prior CARES Act. All of the 28 participating towns within Norfolk County are anxious to see how the Commissioner will use the funds. The Commissioners sent out a letter in June explaining that they did have some needs but Mr. Scollins' interpretation of the word "preponderance" is that the majority of the funds will be distributed back to the Norfolk County municipalities. Canton could potentially receive between \$2.5 million to \$4.5 million depending upon the needs that the Norfolk County Commissioners may have. Canton has already received one half of \$2.5 million a few weeks prior to the meeting. Another \$1.25 will be received by the end of FY22.

The process to determine how those funds will be used has been determined that the Select Board is the authorizing authority in the Town. The Select Board will hear requests and will determine what projects fit to what categories and what projects could be funded. There will be more projects that could be eligible for these funds than there are funds. The uses can be quite broad – water and sewer infrastructure projects, premium pay for people who are front line workers, incremental hours for the Board of Health Public Health Nurse (to be funded with ARPA funds). The entirety of it could be used to fund the water tank maintenance project. Departments will submit requests under a modified Capital Form B (used in the Capital Request process). Mr. Scollins will be collecting these requests in July and will present to the Select Board in August.

Under the ARPA law there are transparency requirements that local municipalities have hearings about the process and the allocation of funds. Mr. Scollins commented that there are fewer restrictions on the use of these funds as compared to the restrictions placed on prior funds the Town received. The ARPA regulations did not indicate directly that the Select Board were the authorizing authority. The Town Administrator did due diligence in contacting the Massachusetts Municipal Association, Executive Office of Administration and Finance and Town Counsel and the consensus is that the Select Board is the deciding authority. The Select Board does not need Town Meeting approval. Mr. Scollins stated that the government entities or municipalities are not bound by having legislative action or Town Meeting action in order to allocate the funds, as long as the municipalities are following the rules that have been set out.

Approval of Minutes – There were five sets of minutes presented for approval: March 17, 2021, April 14, 2021, April 21, 2021, May 5, 2021 and May 20, 2021.

A motion made by Ms. Schutt to approve the minutes as written for March 17, 2021, April 14, 2021 April 21, 2021 and May 5, 2021 was seconded by Mr. Wong.

Roll Call Vote:

Ms. Thomas	Aye	Ms. Schutt	Aye
Mr. Cole	Aye	Mr. Wong	Aye
Mr. Emery	Abstain	Mr. McKenna	Aye
Mr. Mauro	Aye		

The motion passed 6-0-1.

A motion made by Mr. Mauro to approve the minutes as written for May 20, 2021 was seconded by Mr. Wong.

Roll Call Vote:

Ms. Thomas	Abstain	Ms. Schutt	Abstain
Mr. Cole	Aye	Mr. Wong	Aye
Mr. Emery	Abstain	Mr. McKenna	Aye
Mr. Mauro	Aye		

The motion passed 4-0-3.

Next Meeting Date – The next Finance Committee meeting date would be determined in the future. There would not be a need to have a meeting until September. Mr. McKenna encouraged Committee members to feel free to send him an email if there is an item they would like added to an agenda

Ms. Schutt requested that the stipends for paid elected officials and a Finance Committee sub-committee be established to study these stipends be placed on the agenda for September. Ms. Thomas also inquired if the Select Board should be engaged in this conversation and should the sub-committee meet with them first as well as someone from HR.

Ms. Thomas commented that the role of liaisons should be defined more clearly and that the role of the liaison could be to “dig a little deeper” in understanding their department’s budgets and what concerns and needs for the future to have on the Finance Committee’s “radar”.

Mr. McKenna inquired of Mr. Scollins if it would be appropriate for the Finance Committee to receive copies of the ARPA department requests. Mr. Scollins agreed that it would give the Finance Committee a perspective.

Adjournment - A motion made by Mr. Wong to adjourn the meeting at 7:49 p.m. was seconded by Ms. Thomas.

Roll Call Vote:

Ms. Thomas	Aye	Ms. Schutt	Aye
Mr. Cole	Aye	Mr. Wong	Aye
Mr. Emery	Aye	Mr. McKenna	Aye
Mr. Mauro	Aye		

The motion passed 7-0-0.

Minutes reviewed by: Dan Cole

Respectfully submitted,



Timothy McKenna
Chair, Canton Finance Committee

**Canton Finance Committee Meeting
Meeting Minutes
July 7, 2021**

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

Agenda for July 7, 2021 (1 page).

Reserve Fund Transfer Requests (4 pages).