

Auburn Finance Committee  
Minutes of the Meeting – April 1, 2020  
Remote Participation

Members Present: Anne Cavanaugh, Ed Coleman (Remote), Malory O’Brien (Remote), Kevin Kennedy, Michael Marshall (Remote) and Trevor Sansoucy (Remote)  
Absent: Kimberley Holstrom  
Also Present: Chief Financial Officer Ed Kazanovicz and Adm. Assistant to Town Manager Sharon Kwiatkowski

The Open Meeting of the Town of Auburn Finance Committee was being conducted remotely consistent with Governor Baker’s Executive Order of March 12, 2020, due to the current State of Emergency in the Commonwealth due to the outbreak of the “COVID-19 Virus. The meeting was being recorded by Auburn Cable Television.

The meeting was called to order at 5:13 P.M. by the Chairman Anne Cavanaugh.

Chairman Anne Cavanaugh confirmed that she as well as Kevin Kennedy, CFO Ed Kazanovicz and Sharon Kwiatkowski were in attendance at the meeting.

Ms. Cavanaugh confirmed that the following members were participating remotely and could hear her:

- Ed Coleman - Here
- Malory O’Brien - Here
- Trevor Sansoucy - Here
- Michael Marshall – Here

Each vote to be taken in the meeting will be conducted by roll call vote.

Chairman Cavanaugh gave an overview of the meeting agenda.

The first order of business was consideration of departmental budget requests.

#01155 Information Technology Department

Director of Information Technology Mike Marino was participating remotely regarding his requests for the FY21 Information Technology Department.

Mr. Marshall asked a question about the appropriation requested for the Hardware/Software Maintenance Account. He said that the number on the budget request form did not match up with the number on the list of individual products.

Mr. Kazanovicz advised that the Cleargov item that was added to the budget in FY2020 was being suspended in FY2021, although he said that the item might be revisited in the fall.

Mr. Marino explained that the amount \$1,396.26 listed as Munis Requisition Module was a credit from the School Department. He said that, taking that credit into account, the budget requested agreed with the product list.

Director of Information Technology Marino said that he had noted in his letter of March 9, 2020 to the Finance Committee that there were three significant items that were added to the budget in FY2020 and those were:

- Cleargov (which has been removed from the FY2021 budget)
- Microsoft Office 365 Licenses (for email)
- Firewall Analyzer (to parse information and logs from the Town's firewall)

Mr. Kennedy asked about the impact of current events on the Information Technology Department going forward.

Mike Marino said that there may need to be some adjustments, but it's hard to know at this time.

The Finance Committee then voted to recommend approval of a total operations budget appropriation of \$229,873.00 for the Information Technology Department, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

The Finance Committee reviewed the CIP budget for Information Technology. Mr. Marino explained the FY2021 capital requests for an upgrade to the municipal security cameras and computer replacement.

Mr. Kennedy raised the issue of the potential need to revisit budgets because of the pandemic closings that resulted in the loss of revenue.

CFO Kazanovicz addressed the potential for future fiscal impacts. He said that there were many unknowns right now, but the Town has to move forward with the budget. He said that the administration implemented a spending freeze last week and he talked about the possibility for a special town meeting in the summer to adjust budgets. Mr. Kazanovicz added that the annual town meeting might be delayed because of the Governor's Order for lockdown until May 4<sup>th</sup>.

Mr. Kazanovicz discussed the status of the 2020 Cherry Sheet income. He said that the State has told the Town that right now there are no planned 9c cuts to the FY2020 Budget. The School Department has been made aware that budget adjustments may be necessary due to the impact of COVID-19.

#### #01201 School Department

School Superintendent Dr. Maryellen Brunelle was on the line remotely. She provided an overview of the School Department's FY21 Budget. Dr. Brunelle advised that the School Committee has voted to reduce their budget from the original amount of \$27,832,657.65 and approved a request of \$27,676,055.00 for the School Department for FY2021. She said that this would be an increase of 2.75%. There were no new positions requested in this budget.

Mr. Kennedy asked about technology plans going forward in light of the current need for remote learning. Dr. Brunelle discussed some potential options under review.

Mr. Marshall asked if there has been any savings this fiscal year due to the schools being closed. Dr. Brunelle responded that one area of savings was in the regular transportation line, but the district still needed to pay for out-of-district costs.

Mr. Marshall asked about electricity, gas, etc. Dr. Brunelle said that there was likely to be some savings, but that it was too soon for data on those expenses.

Mr. Kennedy recognized the fact that Superintendent Brunelle would be retiring after this school year and he thanked her for all she has done for the Town and Schools and commended her excellence and professionalism in working with the Finance Committee on the school budgets.

Chairman Cavanaugh asked about the numbers for school population for FY20 and school choice.

Dr. Brunelle gave the school population as 2,632 for the last fiscal year and 2,636 for FY2020. She said that School Choice numbers have been maintained at 82.

The Finance Committee reviewed the Capital Improvements Budget for the School Department.

The Finance Committee voted to recommend approval of a total bottom line operations budget for the School Department of \$27,676,055.00 for FY2021 (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#### #01291 Emergency Management

The Finance Committee reviewed the budget for Emergency Management. CFO Ed Kazanovicz explained that the only increase that was to the Overtime Account in the amount of \$1,500.00 (total appropriation in account of \$3,500.00). The increase was necessary for overtime costs for testing generators.

The Finance Committee voted to recommend approval of a total budget appropriation of \$15,500.00, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#### #01910 Pensions and Benefits

Mr. Kazanovicz next addressed the budget amendment for Pensions and Benefits that was provided to the Finance Committee. He explained the change in the Group Insurance recommendation by the Town Manager from \$8,250,000.00 to \$8,000,000.00. Mr. Kazanovicz advised that they now have the renewal numbers but don't yet have the stop loss insurance numbers. The renewal numbers came in at a blended 8.9% and we budgeted 8%.

In addressing this difference, Mr. Kazanovicz discussed the decision of the administration to put at risk a portion in our health care trust that has a balance of about 9 million dollars. Mr. Kazanovicz added that this was done a few years ago putting at risk about \$300,000.00. He explained that putting at risk means basically counting on the actual claims coming in less than what is trending at and that could work in the town's favor that year. If not, we grow the trust potentially by about \$430,000.00 if the claims are trending higher. The administration is also considering going up on the stop loss insurance from \$100,000.00 to \$125,000.00.

Mr. Kazanovicz said there were many unknowns right now, one of them being that some employees are opting to come onto the town's insurance due to family job losses. He said that the item will have to be revisited this summer or fall after the open enrollment period.

The Chief Financial Officer stated that the Unemployment Comp line item may be impacted because of layoffs of former town employees from their current jobs, leaving the Town responsible to contribute to their unemployment cost.

The Finance Committee voted to recommend approval of a total budget appropriation of \$12,219,942.00, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Abstained; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 5-0-1.

#### #01302 Bay Path

Bay Path Superintendent John Lafleche and Business Manager Dean Iacobucci then called in to the meeting regarding the FY2021 Budget for Bay Path Regional Vocational Technical High School. They presented an overview of how the town assessments are calculated and reviewed the presentation provided to the Finance Committee (attached).

Chairman Anne Cavanaugh asked what the impact of the current pandemic crisis was on the FY2021 budget. Superintendent Lafleche said that there was a spending freeze right now, although the State says that they have to spend most of the budget so that they don't get into a penalty situation. Mr. Lafleche said that they realize that, going forward, they will have to revisit the budget,

Ms. Cavanaugh asked about OPEB liability and the trust fund.

Mr. Lafleche replied that the OPEB liability is approximately 12 million dollars and there is \$280,000.00 in the OPEB Trust Fund.

Mr. Kennedy raised the issue about enrollment numbers and current vacancies.

Mr. Lafleche stated that there are a total 90 Auburn students in FY2021. Forty-six (46) students have applied for freshman seats out of a possible forty-eight (48) spots. He said that vacancies are there because the Town of Auburn has excellent schools and also some students change their minds about attending Bay Path for a variety of reasons.

Mr. Sansoucy asked for more details about the number \$897,202.00 on page 12 of the presentation.

Mr. Lafleche described the formulas for the FY2021 Required Local Contribution. He said that the Total Required Contribution is \$16,529,757.00 and that amount is spread among all the districts based upon the Foundation Budget Allocation. He said that the \$897,202.00 was the minimum contribution for Auburn and he explained the formulas used to get to Auburn's final total assessment (population as of October 1<sup>st</sup> and capital population).

The Finance Committee voted to recommend approval of a total budget appropriation for Bay Path of \$1,162,630.00, as recommended by the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Abstained – passed 5-0-1.

#### Department of Development and Inspectional Services (DDIS)

Director Darlene Coyle was in attendance. She presented the budget highlights of the DDIS divisions. She stated that market adjustments were made to some of the salaries following the salary survey conducted by Town Administration.

#01511 Public Health – The recommended appropriation for Public Health was \$264,016.00 for FY2021.

Anne Cavanaugh asked about the impact of COVID-19 on the current budget. Ms. Coyle advised that they will need nursing assistance. She added that there would be assistance from the State for this service because it is COVID related. Ms. Coyle noted the increase in the Education Account from \$1,800.00 in FY20 to \$2,500.00 in FY21 for training all staff.

#01175 Planning Division – The recommended appropriation for FY2021 was \$85,111.00.

#01180 Economic Development Division – The recommended appropriation for FY2021 was \$58,158.00.

Mr. Marshall asked about the role of the Economic Development Coordinator. Director Darlene Coyle described the duties of the position. Mr. Kazanovicz noted that there has been an uptick in commercial activity in the town and interest from businesses in relocating to Auburn. He said that the position was created as part of the Economic Development Strategic Plan for Auburn that was developed in 2017. The position would be able to provide a proactive business outreach approach in the town.

#01241 Building Division – The recommended appropriation for FY2021 was \$189,671.00. Ms. Coyle noted that the Principal Clerk position in the Building Division is vacant.

#01171 Conservation Commission – The recommended appropriation for FY2021 was \$14,557.00.

#01292 Animal Control – The recommended appropriation for FY2021 was \$68,677.00.

The Finance Committee voted to recommend approval of a total operations budget appropriation of \$680,190.00, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

The Finance Committee reviewed the CIP for DDIS for FY2021, which was \$12,000.00 for an ACO vehicle replacement (3 Year Lease Purchase).

#01433 Solid Waste – The recommended appropriation for FY2021 was \$1,250,477.00. Darlene Coyle advised that complete cost information on solid waste was not available yet. She said that there may need to be increases because of growing recycling costs.

Ms. Coyle explained the duties of the relatively new position of Solid Waste and Recycling Coordinator.

Ms. Coyle stated that they are soliciting bids for the new solid waste contract and should have some information over the next few weeks.

The Finance Committee voted to recommend approval of a total budget appropriation of \$1,250,477.00 as presented in the recommendation of the Town Manager for FY21 (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01176 Zoning Board of Appeals – The recommended appropriation was \$13,717.00. The Finance Committee voted to recommend approval of a total budget appropriation of \$13,717.00 as presented in the recommendation of the Town Manager for FY21 (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01542 Youth Commission – The recommended appropriation was \$133,575.00. The department had requested \$181,000.00.

Youth Commission Chairman Norman LaFlash was participating remotely and he explained the budget request for \$181,000.00. He said that the Youth Commission felt that they needed to close the gap between the funding and the actual cost of the contracted services provided by the Auburn Youth and Family Services, the agency contracted to provide those services.

However, Mr. LaFlash stated that with the current crisis the Commission realizes that \$181,000.00 may not be feasible and will not pursue it at this time. But they may ask for consideration in the future.

The Finance Committee voted to recommend approval of a budget appropriation of \$133,575.00 as recommended by the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

Department of Public Services

#01610 Library Division – The recommended budget appropriation was \$650,987.00.

Director Jean Collins was participating remotely. Ms. Collins gave an overview of the library budget for FY21 and she discussed the Town's State Minimum Contribution Requirement of \$637,095.00.

Mr. Kennedy asked about activity at the library. Ms. Collins replied that they have logged 71,000 in foot traffic at the library.

Chairman Anne Cavanaugh asked about revolving accounts.

The Committee reviewed the Capital Improvements Plan for the Library. There were no requests for FY2021.

The Finance Committee voted to recommend approval of a total operating budget appropriation of \$650,987.00 for the Library Division of the Department of Public Services, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01541 Senior Center/Elder Affairs Division – The recommended budget appropriation was \$181,733.00.

Jean Boulette, the Executive Director of the Senior Center/Elder Affairs Division, was participating remotely. The only increases to the budget were for the salary of the Executive Director and the contracted increase for the Assistant Director.

Ms. Cavanaugh asked about grants.

Mr. Kazanovicz said that the grants that are available to the division were the State formula grants and some mini grants like the St. Vincent's Grant for transportation.

The Committee reviewed the Capital Improvements Plan for the Senior Center/Elder Affairs Division. There were no requests for FY2021.

The Finance Committee voted to recommend approval of a total operating budget appropriation of \$181,733.00 for the Senior Center/Elder Affairs Division of the Department of Public Services, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman,

Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01621 Cable and Community Television – The recommended budget appropriation was \$246,432.00.

Division Supervisor Christopher Hugo was in attendance. He gave an overview of the budget that was level-funded in the non-salary expense accounts. The Wages Account also includes a portion of the salary for the Director of Information Technology.

Mr. Kazanovicz reminded the Finance Committee members that this division is an Enterprise Fund that has healthy Retained Earnings balance as of June 30<sup>th</sup> of approximately \$340,000.00. He said that the budget will meet all contractual obligations for FY2021.

Mr. Kennedy asked about the length of the cable television contract. Mr. Hugo replied that there are three years left on the contract.

Mr. Kennedy asked if there was any concern that the Town wouldn't get as much from the cable provider.

Mr. Hugo said that he hasn't seen any indications of that.

The Finance Committee reviewed the Capital Improvements Budget for the Cable and Community Television Division. There was a request in FY2021 for \$35,380.00 for servers and bulletin boards to come from Cable Access Retained Earnings.

The Finance Committee voted to recommend approval of a total operating budget appropriation of \$246,432.00 for the Cable and Community Television Division of the Department of Public Services, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01543 Veteran's Services – The recommended budget appropriation was \$188,610.00.

CFO Ed Kazanovicz addressed the budget. Mr. Kazanovicz described the Veterans District Agreement with the Towns of Oxford, Charlton and Southbridge to provide veterans services. He talked about the increase in the Relief and Medical Account, which has seen claims increase over the last fiscal year and the account is currently running at \$11,900.00 per month. The expenses are reimbursed by the State at 75%.

The Finance Committee voted to recommend approval of a total budget appropriation of \$188,610.00 for the Veteran's Services Division of the Department of Public Services, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

With the Finance Committee's votes on the individual divisions of the Department of Public Services, the total recommended operating budget appropriation for the Department of Public Services was \$1,267,762.00.

#01710 Maturing Debt – The recommended budget appropriation was \$4,372,659.00 for FY2021.

CFO Ed Kazanovicz discussed the account, General Obligation Bond 16,425,667, and explained that a portion of the appropriation is for the new middle school as with some other accounts.

Chairman Anne Cavanaugh asked about the costs of the proposed new public safety facility and accommodating them in the budget.

Mr. Kazanovicz explained the potential costs – 48 million for the facility and 5 to 6 million for a parcel of land. He said that it was not in the FY21 Budget. CFO Ed Kazanovicz noted that the high school debt would be retiring in FY2024.

The Finance Committee voted to recommend approval of a total budget appropriation of \$4,372,659.00, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01752 Interest – The recommended budget appropriation was \$1,208,518.00 for FY2021. CFO Ed Kazanovicz gave an overview of the budget.

The Finance Committee voted to recommend approval of a total budget appropriation of \$1,208,518.00, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes; and Mr. Sansoucy, Yes – passed 6 to 0.

#01132 Reserve Fund – The recommended budget appropriation was \$300,000.00 for FY2021, which was reduced from \$530,000.00 in FY2020.

Mr. Kazanovicz explained that the reduction was in the Salary Wage Reserve line item. He said that almost all the municipal collective bargaining units have settled their contracts and so all those wages would be budgeted in their respective departmental requests for FY21. The only outstanding unit is the Police Superior Officers, so any wage adjustments on completion of those negotiations would come from the Salary Wage Reserve, as well as the potential consideration for the Bylaw employees' 1% step on performance evaluation.

The Finance Committee voted to recommend approval of a total budget appropriation of \$300,000.00, as presented in the recommendation of the Town Manager for FY2021 (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O'Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes – passed 5 to 0.

Mr. Sansoucy was no longer on the call at this point in the meeting.

The Finance Committee voted to recommend approval of a total appropriation for the Capital Improvements Budget for FY2021 as follows:

- \$ 200,000.00 Sewer Capital to be funded through Retained Earnings
- \$ 102,380.00 Cable Access Capital (Retained Earnings)
- \$ 1,228,216.00 Lease obligations to be funded through tax levy appropriation
- \$ 30,000.00 Amount funded through CIP Trust
- \$ 0 Stabilization
- \$ 720,000.00 Amount Funded through Bond Proceeds
- \$ 45,000.00 Pakachoag Retained Earnings
- \$ 300,000.00 Lease obligations funded by ambulance proceeds

Total Appropriation for FY2020 - \$2,625,596.00 as presented by the Chief Financial Officer (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O’Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes – passed 5 to 0.

Mr. Kazanovicz advised that, depending on the date determined for the annual town meeting, the Finance Committee will have to meet again to vote on recommendations for the annual town meeting warrant articles.

The meeting was adjourned at 7:35 P.M. (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Ms. Cavanaugh, Yes; Mr. Coleman, Yes; Ms. O’Brien, Yes; Mr. Kennedy, Yes; Mr. Marshall, Yes – passed 5 to 0.

Submitted: Sharon A. Kwiatkowski  
Assistant to the Town Manager, Admin.

The following documents were part of the Finance Committee’s Meeting of April 1, 2020 and are retained in the Executive Office of the Town Manager:

- April 1, 2020 Agenda
- FY21 Budgets (capital and operating) - Information Technology Department, School Department, Emergency Management, Pensions and Benefits, Bay Path, Department of Development and Inspectional Services (Divisions of Public Health, Planning, Economic Development, Building, Conservation Commission, Animal Control Unit), Zoning Board

of Appeals, Solid Waste, Auburn Youth Commission, Department of Public Services (Divisions of Library, Senior Center/Elder Affairs, Cable and Community Television and Veteran's Services), Maturing Debt, Interest, Reserve Fund

- FY2021 Capital Improvements Budget