

Auburn Finance Committee
Minutes of the Meeting -April 3, 2019
Auburn Town Hall Selectmen's Meeting Room
104 Central Street, Auburn, Massachusetts

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

The meeting was called to order at 7:00 P.M. by the Vice Chairman Anne Cavanaugh.

Ms. Cavanaugh gave an overview of the meeting agenda.

The Finance Committee considered the following transfer request.

Department of Public Works - #01491 Cemetery:

\$101.55 from Acct. #014912-5421 Office Supplies to Acct. #014912-5460
Supplies and Equipment, for copier rental use for the remainder of FY2019. The
Finance Committee voted to approve the transfer (Motion made by Mr. Kennedy; motion
seconded by Ms. O'Brien) voted in favor 4 to 0.

The Finance Committee reviewed the remaining departmental budgets for FY2020 and
made the following recommendations.

#01132 Reserve Fund - Mr. Kazanovicz advised that a sum of money was built into the
Salary Wage line item for collective bargaining. He said that there were 10 unions in
negotiations right now for contracts that would expire on June 30, 2019. The Finance
Committee voted to recommend approval of a total budget appropriation of \$490,000.00
as presented in the recommendation of the Town Manager (Motion made by Ms.
O'Brien; motion seconded by Mr. Kennedy) voted in favor 4 to 0.

#01151 Law Department - Mr. Kennedy asked if this department paid for ongoing
litigation. Mr. Kazanovicz replied in the affirmative. He acknowledged that there would
be a substantial transfer for legal services at the next meeting for a bill from one ongoing
case that is expected to be settled next year. The Finance Committee voted to
recommend approval of a total budget appropriation of \$120,000.00 as presented in the
recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded
by Ms. O'Brien) voted in favor 4 to 0.

#01192 Town Hall - Ed Kazanovicz explained the increases in the Equipment
Maintenance and the Building Maintenance Accounts to bring the appropriations in line
with the three-year averages. The equipment maintenance costs were mainly for
copiers and printers and the building costs were to address a faulty alarm system. The
Finance Committee voted to recommend approval of a total budget appropriation of
\$50,500.00 as presented in the recommendation of the Town Manager (Motion made by
Ms. O'Brien; motion seconded by Mr. Kennedy) voted in favor 4 to 0.

#01199 General Services - CFO Ed Kazanovicz gave an update on the LED Streetlight Project that is back on track. Anne Cavanaugh asked about the Gas/Oil/Diesel Account and if the appropriation request was sufficient. Mr. Kazanovicz responded that it would be okay if the activity continued as currently. Ms. Cavanaugh asked if the Insurance and Bonds Account included the schools. The CFO replied that it did not. Mr. Kennedy asked if the number was definite. Mr. Kazanovicz responded that it was an estimate, the actual number wouldn't be known until June. The Finance Committee voted to recommend approval of a total appropriation of \$1,455,978.00 as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Ms. O'Brien) voted in favor 4 to 0.

#01291 Emergency Management - The CFO noted that the department request was level-funded from FY19. The Finance Committee voted to recommend approval of a total appropriation of \$14,000.00 as presented in the recommendation of the Town Manager (Motion made by Ms. O'Brien; motion seconded by Mr. Kennedy) voted in favor 4 to 0.

Department of Public Services #01543 Veterans Services - Mr. Kazanovicz explained changes to the Veterans Services Officer (VSO) position since Mr. Corbin left the position. He said that there will be a regional agreement and a shared full time VSO with the Town of Oxford. Mr. Kazanovicz explained that the costs for Relief and Medical have increased and a transfer will be needed. The Finance Committee voted to recommend approval of a total budget appropriation of \$92,750.00 as presented in the recommendation of the Town Manager (Motion made by Ms. O'Brien; motion seconded by Mr. Kennedy) voted in favor 4 to 0.

#01710 Maturing Debt - Ed Kazanovicz explained the Long Term Debt and Interest Amortization Schedule. He discussed the Water Pollution Abatement Trust for storm water. The Finance Committee voted to recommend approval of a total budget appropriation of \$4,702,309.00 as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion seconded by Ms. O'Brien) voted in favor 4 to 0.

#01752 Interest - The Finance Committee voted to recommend approval of a total budget appropriation of \$1,242,703.00 as presented in the recommendation of the Town Manager (Motion made by Ms. O'Brien; motion seconded by Mr. Kennedy) voted in favor 4 to 0.

#01910 Pension and Benefits - Chief Financial Officer (CFO) Ed Kazanovicz discussed the following line items:

- Group Insurance (\$7,900,000) - The Chief Financial Officer advised that the request was based on the trend in Central Massachusetts and the potential for new employees. The final cost will not be known until June when re-insurance bids come in. He said that there would be no Opt-Out incentive this year.
- Worcester County Retirement (\$3,232,114) - Mr. Kazanovicz said that this is the Town's actual assessment.
- Medicare (\$519,500) - Mr. Kazanovicz advised that the request was an estimate.

- Medicare Penalty (\$36,000) - This is for the IRS penalty for late Medicare-eligible employees to go on Medicare at age 65.

Mr. Kazanovicz talked about the calculations done in mid-September on school costs as a percentage of Indirect Costs to the town side of the budget. He said that in the current year 70% of Group Insurance and 66% of Medicare are for schools.

Mr. Kazanovicz said that prescription costs have driven expenses over the last three years. They seem to be stabilizing somewhat now and he is optimistic that the number can be reduced.

Ms. O'Brien discussed preventative plans. Mr. Kazanovicz described wellness programs that the Town has offered over the last few years.

The Finance Committee voted to recommend approval of a total budget appropriation of \$11,752,264.00 as presented in the recommendation of the Town Manager (Motion made by Ms. O'Brien; motion seconded by Mr. Kennedy) voted in favor 4 to 0.

There was general discussion about the articles on the May 7, 2019 Annual Town Meeting Warrant.

The meeting was adjourned at 8:05 P.M. (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) voted in favor 4 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 3, 2019 and are retained in the Executive Office of the Town Manager:

- April 3, 2019 Agenda
- Transfer from Department of Public Works #01491 Cemetery
- FY2020 Department Budget Requests - Reserve Fund, Law Department, Town Hall, General Services, Emergency Management, Department of Public Services #01543 Veterans Services Division, Maturing Debt, Interest, Pension and Benefits
- Long Term Debt-Amortization Schedule