

Auburn Finance Committee
Minutes of the Meeting – September 30, 2020
Remote Participation Only

Members Participating: Anne Cavanaugh, Ed Coleman, Kevin Kennedy, Trevor Sansoucy and Michael Marshall
Not Participating: Malory O'Brien
Present: Chief Financial Officer (CFO) Ed Kazanovicz

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 7:00 P.M. by the Chairman Anne Cavanaugh.

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

- Ed Coleman - Here
- Kevin Kennedy - Here
- Trevor Sansoucy - Here
- Michael Marshall - Here

In addition, the following town employees were participating remotely:

- Fire Chief Stephen Coleman
- Town Clerk Debra Gremo
- School Business Manager Cecelia Wirzbicki
- Director of Information Technology Michael Marino

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

Ms. Cavanaugh gave an overview of the meeting agenda.

CFO/Assistant Town Manager Ed Kazanovicz gave an update on changes to the October 27, 2020 Special Town Meeting Warrant:

- Two articles for easements have been removed.
- Deductions and increases to the FY21 budget are reflected in Article 2 for a total reduction of \$820,650.00.
- Reductions in the Capital Budget under Article 3 leave a total reduction of \$65,000.00.
- Other Post-Employment Benefits (OPEB) funding this year is recommended to come from Free Cash, which would free up \$500,000.00 to reduce the deficit.

Ed Kazanovicz discussed the status of State Cherry Sheet figures that are not yet final. In addition, he said that the New Growth figure that is not yet certified came in higher by \$214,514.14 than the \$450,000.00 that was estimated according to the Assessor's Office.

Total appropriation reductions to the FY21 budget - \$1,135,650.00

Mr. Kazanovicz discussed the major adjustments on the revenue side:

- Hotel/Motel – previously \$700,000.00 now \$300,000.00
- Trash \$1,380,000.00 estimated for FY21 was revised to \$1,243,000.00, based on the actuals (\$137,000.00)
- Meals Tax Loss of \$50,000.00
- Total estimated receipts down \$648,221.04
- State level funding Chapter 70 and Unrestricted General Government Aid at FY20 levels, which is \$509,390.00 lower than expected, with total revenue loss of \$1,125,990.00 anticipated.
- Local Receipts loss of revenue of \$1,157,611.04.

The CFO highlighted some of the operating budget reductions:

- \$200,000.00 reduction in Group Health Insurance, with 2 premium holidays that is a savings for the town.
- \$100,000.00 reduction in Road Reconstruction
- \$461,898.00 reduction in School Budget – Schools made up reduction with CARES Act funding of \$590,000.00 and a CARES Act grant for \$150,000.00
- Unemployment increase of \$150,000.00

The Finance Committee reviewed the warrant articles on the October 27, 2020 Special Town Meeting Warrant and voted the following recommendations.

Special Town Meeting Warrant Article 2 and Proposed FY21 Budget in Response to COVID-19

CFO Ed Kazanovicz presented proposed adjustments to the FY21 Town of Auburn Budget under Article 2 that totaled \$820,650.00 and under Article 3 of \$65,000.00. Also the OPEB funding is not proposed to come from tax levy this year, but from Free Cash. He said that with the appropriation requested under the Town Clerk's warrant article for \$20,000.00 for unanticipated costs of the Special Town Election and changes to State election laws, the total appropriation reduction if the articles were approved would be \$1,365,650.00.

In summary, the budget utilization of tax levy would be 0.57% out of a possible 2.5% under Prop 2½.

Utilization of Free Cash would be:

- Repairs to Engine 3 (Fire/Rescue) \$130,000.00
- OPEB funding \$400,000.00
- Stabilization Fund \$250,000.00

Article 2. Amends Article 3 of the June 2, 2020 Annual Town Meeting (Operating budget for FY2021). The Finance Committee voted to recommend approval of Article 2 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 3. Amends CIP Article 4 of the June 2, 2020 Annual Town Meeting (Capital Budget). The Finance Committee voted to recommend approval (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 4. Re-purposes the balance of CIP funds for District Wide Truck Procurement as established by Articles 17 and 18 of the June 2, 2020 Annual Town Meeting in the amount of \$9,904.00 for use in conjunction with AHS Building Rehab for the purpose of upgrading the exterior doors at the Auburn High School.

School Business Manager Cecelia Wirzbicki was participating remotely and explained that the vehicle has already been purchased and the cost of the truck came in lower than expected. They are looking to continue the upgrade of the exterior doors at the high school and that cost came in a little bit higher, so they are looking to repurpose the balance of the vehicle funds for the project.

The Finance Committee voted to recommend approval of Article 4 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 5. Grants an easement authorizing National Grid to install two (2) utility poles and a transformer on Bryn Mawr Elementary School property as part of an upgrade to the school's electrical service.

Mr. Coleman made a motion to recommend approval. There was no second; the motion failed. Mr. Kennedy then made a motion to defer to the petitioner. Mr. Coleman seconded the motion and the Finance Committee voted in favor by roll call: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 6. Re-purposes CIP funds by amending Article 4 of the June 2, 2020 Annual Town Meeting, Pakachoag Building Rehab, Removal of Oil Tank, to authorize the balance of funds in the account in the sum of \$35,485.00 for continuing the HVAC improvements for proper air exchange in the building. Ms. Wirzbicki replied that when the School Department was planning for the oil tank removal there was the chance that some environmental issues would come up when the tank was removed. This situation would have been costly and so more funds were requested in the article.

The tank has been removed with no environmental issues so the School Department wants to repurpose the leftover funds to the Pakachoag School and the work on the HVAC.

The Finance Committee voted to recommend approval of Article 6 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 7. Appropriates \$13,080.00 from Ambulance Receipts for new equipment (stair chairs) for the Ambulance.

The Finance Committee voted to recommend approval of Article 7 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 8. Appropriates a sum of money from Free Cash for repairs to Fire Engine 3. Fire Chief Stephen Coleman provided information on the problems with Engine 3, which is a primary engine out of the West Street Station. The engine failed the recent inspection. The Chief advised that he needs to put new frame rails on the vehicle and to do the work the rails have to be removed and some equipment like the fuel tank and springs taken off. Then the new frame rails would be installed and a new fuel tank and springs would be installed to preserve the life expectancy of the engine at 10 years. Chief Coleman advised that he has been given a ballpark figure of \$110,000.00 to \$130,000.00 to accomplish the repairs. He said that he would have a more definitive number by the town meeting, so this was an estimate.

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The Fire Chief expressed potential concerns about Engine 1. Engine 1 is the reserve engine, but it has been running longer now and he is concerned about the potential for a breakdown during the time it will take to repair Engine 3. Chief Coleman discussed the usual life expectancy of the engines as 10 years and he needs Engine 1 to last that long.

Ed Kazanovicz asked if \$130,000.00 would include the transportation costs if needed. Chief Coleman replied in the affirmative. The CFO recommended that the Chief requests the \$130,000.00 now and that figure could be amended down at town meeting if necessary.

The Finance Committee voted to recommend approval of Article 8 in the amount of \$130,000.00 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 9. Appropriates \$250,000.00 from Free Cash to the Town Stabilization Fund. CFO Ed Kazanovicz gave an update on the Free Cash certification received from the Department of Revenue (DOR) on Monday. The total certified is \$15,757,928.00, which is an increase of \$1,854,652.00 over last year's total of \$13,903,276.00. He said

that the administration is not proposing to use all the Free Cash at this point in case some of it is needed before the end of the year.

Mr. Kazanovicz said that the balance in the Stabilization Fund is approximately \$3.3 million. The Finance Committee voted to recommend approval of Article 9 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 10. Appropriates \$400,000.00 from Free Cash to the Town OPEB (Other Post-Employment Benefits) Liability Trust Fund. Ed Kazanovicz advised that the balance in the OPEB trust is \$4.6 Million. The Finance Committee voted to recommend approval of Article 10 (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 11. Appropriates a sum of money from Free Cash for Office 365 migration. Director of Information Technology Michael Marino advised that he was still waiting for a cost from the vendor, so he asked to withdraw the article at this time.

Article 12. (Now 11) Appropriates \$20,000.00 from Overlay Surplus for Training from Vision/Tyler and for Vision commercial analysis. Ed Kazanovicz explained that this amount was for the full cost of the project after consultation by the Town Assessor with the vendor. He explained the work that needed to be done because of COVID-19 and its negative impact on businesses and commercial properties. The Finance Committee voted to recommend approval (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 13. (Now 12) Amends the Town of Auburn General Bylaws Section 2.02 Annual Town Meeting and Election. Town Clerk Debra Gremo explained that the reason for the article was to remove the set times in the bylaw for the annual town meeting and election to give the Town more flexibility if unexpected events and/or emergencies arise. The Finance Committee voted to defer to the petitioner (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes; Ms. Cavanaugh, Yes – passed 5 to 0.

Article 14. (Now 13) Appropriates \$20,000.00 from general fund revenues for unanticipated costs associated with the Special Town Election and changes to State election laws. The Town Clerk explained that the appropriation requested in the article was the best estimate for the extra cost of the special town election. The Finance Committee voted to recommend approval (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes and Ms. Cavanaugh, Yes – passed 5 to 0.

Article 15. (Now 14) Amends Auburn Zoning Map by changing 10 Maple Street (060_096) and 8 Maple Street (060_079) from Residence A to Highway Business (Citizen's Petition). Questions were raised by Board members regarding the article and by the Police Chief who was also participating remotely. The Finance Committee voted to defer to the petitioner (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes; Ms. Cavanaugh, Yes – passed 5 to 0.

At 7:53 P.M. the Finance Committee voted to adjourn the meeting (Motion made by Mr. Coleman; motion seconded by Mr. Kennedy) roll call vote: Mr. Marshall, Yes; Mr. Kennedy, Yes; Mr. Sansoucy, Yes; Mr. Coleman, Yes; Ms. Cavanaugh, Yes – passed 5 to 0.

Submitted: Sharon A. Kwiatkowski
Adm. Assistant to the Town Manager

The following documents were part of the Finance Committee's Meeting of September 30, 2020 and are retained in the Executive Office of the Town Manager:

- September 30, 2020 Agenda
- October 27, 2020 Special Town Meeting Warrant