

Auburn Finance Committee  
Minutes of the Meeting - March 17, 2021  
Remote Participation Only

Members Participating: Anne Cavanaugh, Kevin Kennedy, Ed Coleman and Michael Marshall  
Not Participating: Trevor Sansoucy  
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 Chair Anne Cavanaugh.

The following Finance Committee members were participating remotely and could hear the Chair:

- Ed Coleman - Here
- Kevin Kennedy - Here
- Michael Marshall - Here
- Trevor Sansoucy - Not participating

Town officials/employees -

- CFO /Asst. Town Manager Ed Kazanovicz
- Adm. Assistant Sharon Kwiatkowski

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

Ms. Cavanaugh gave an overview of the meeting agenda.

#01302 Bay Path

Bay Path Superintendent/Director Kyle Brenner and Business Manager Dean Iacobucci were participating remotely for the FY2022 Budget. The budget recommended by the Town Manager was \$1,262,707.00, an increase over FY2021 of 8.61%.

Mr. Brenner made a statement on the school's mission to provide its students with a high quality academic and technical education. He advised that this budget assumes 100% in-person learning while continuing the health and safety protocols to remain in place.

Mr. Brenner discussed some of the budget highlights:

- Supply and material accounts adequately funded
- Funds included for new textbooks for Social Studies and new Veterinary Science Program as well as necessary replacements

- Funds included for the purchase of equipment for Advanced Manufacturing and Veterinary Science
- Funds included to add 1FTE Veterinary Science Teacher
- Funds included to add 1 FTE History Teacher to address class sizes

Mr. Iacobucci then gave a presentation on the FY2022 Budget for Bay Path.

He discussed some financial information:

- FY2022 TOTAL Budget for Assessments is \$24,561,858.00.
- Member towns' assessments are at minimum.
- Budget includes Debt Service Assessment at \$1,564,103.00.
- Operational Budget does not require funds above Minimum Contributions by member communities.
- Member assessments total \$11,745,288.00
- Minimum Contribution Levels that each town must contribute have increased this year collectively by \$888,915.00.
- Member towns' transportation assessment has been reduced by \$300,000.00 reflecting use of Regional Transportation Reimbursement Fund.

Anne Cavanaugh asked how the School Choice Assessment works and she noted that it seemed to be different than that of the Auburn Public Schools.

Dean Iacobucci explained the process and he said that it's who has the financial responsibility to educate the child that dictates which district pays for the school choice.

The Business Manager then explained ESSER II funds. He said that the Governor's House 1 Chapter 70 proposal allows cities and towns experiencing increases in their minimum local contributions (MLCs) to fund all or part of the increase using federal stimulus funds (ESSER II).

If a regional school district member municipality decides to exercise this provision the district must reduce that members MLC by its ESSER II share in the calculation of that member's assessment. Regional school district members can only use a share of up to 75% of the district's total ESSER II award equal to their share of the district's total required contribution.

He said that member Towns should understand that, if this provision is included in the final budget, that using ESSER II funds to offset MLC increases represents a one-time municipal relief. The Bay Path School Committee can vote to reduce Auburn's assessment and adjust it relative to ESSER II, subject to timely application by the town. ESSER II funds used to offset MCL increases in FY2022 would not be deducted from member towns' preliminary contributions when setting FY2023 MLCs.

Mr. Kennedy asked Mr. Kazanovicz about the process for towns to apply for the ESSER II stimulus funds after the state budget was final. Ed Kazanovicz asked Mr. Iacobucci if there would need to be a vote of the town meeting or the Board of Selectmen.

Mr. Iacobucci said that he felt that the process would probably require a vote of the Board of Selectmen.

Mr. Kazanovicz cautioned the Finance Committee that, if we take advantage of this option, next year we would have to build those funds back into the budget plus more, to maintain the current enrollment, because it would be a one-time stimulus reduction.

Anne Cavanaugh asked about the transportation fund that Mr. Iacobucci talked about setting up and what would be involved.

The Business Manager explained that last year, as with most towns, transportation costs stopped because schools closed in March because of COVID. The School Committee adopted a provision of the law that allowed the creation of a transportation reimbursement fund. They negotiated with their transportation vendor for a reduction in the contract and they got theirs down to 20% and so the 80% generated to pay for those expenses became available and translated into revenue. By law Bay Path has one year to use those funds or they would close out to Excess and Deficiency and last June \$425,000.00 was placed in the fund and all of it has been used to reduce the transportation assessments that are given to the member towns. This year \$300,000.00 is expected to be transferred to the transportation reimbursement fund. Mr. Iacobucci said that the School Committee has made a commitment that any funds in the transportation reimbursement fund would go to help member towns next year.

CFO Kazanovicz asked about OPEB (Other Post-Employment Benefits). Dean Iacobucci replied that their unfunded liability was 16.5 million and they have a trust fund balance of \$500,000.00, which they are not using to offset retirees' health insurance because they are trying to build up the fund balance. They have been putting in \$50,000.00 per year in the trust for the last 5 or 6 years.

The Finance Committee voted to recommend approval of a total budget appropriation of \$1,262,707.00 for #01302 Bay Path, as presented in the recommendation of Town Manager for FY2022 (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Mr. Kennedy, Yes; Mr. Coleman, Yes; Mr. Marshall, Yes; Ms. Cavanaugh, Yes - passed 4 to 0.

The Chair thanked Mr. Brenner and Mr. Iacobucci for their meeting with the committee to present the budget.

#### #01201 School Department

School Superintendent Casey Handfield was participating remotely as well as the School Business Manager Cecelia Wirzbicki.

Mr. Handfield presented the FY2022 Budget request for the Auburn Public Schools of \$27,988,540.45. He said that the budget keeps the elementary class sizes at or under 25 students. Chapter 70 is projected to be \$78,000.00 over FY21 and there are no new staff positions requested in the budget. Supply accounts in buildings are level funded.

There are projected offsets of \$2,555,967.00 in the FY22 budget. Supt. Handfield also advised that there are Esser II funds out there for FY22 and FY23 that the district can apply for after July 1<sup>st</sup> for emotional support and kids behind in school because of the pandemic.

Mr. Kennedy asked about transportation and if there have been any creative thoughts about savings and if transportation services could be brought in-house.

Mr. Handfield said that is a complex issue. The district is in year 2 of the current contract. He said that a common problem with all towns was the lack of many competitive bids. He said that he was not sure if they could provide the service in-house and if that would have any substantial savings with the cost of vehicles, maintenance and personnel. Supt. Handfield added that transportation for SPED students was a separate and potentially more expensive issue. He said that they could go through the exercise and look into that possibility.

Ed Coleman asked if there was a separate budget line item for salary obligations due to contract settlements. Supt. Handfield replied in the affirmative and said that the funds were in a salary reserve account of approximately \$450,000.00.

Mr. Coleman asked about enrollment numbers and if there was going to be any need because of federal mandates to add positions when all students return to in-person classes. He asked whether the students that left were either home-schooled or going to private schools and if they would come back.

Supt. Handfield said that 90 - 100 students left the system. He stated that the reasons were all over the map. One-half of those usually enrolled in Pre-K did not come to school and some elementary students are being home schooled or going to private schools. The Superintendent said that he is expecting that a majority will return next year and that there will be an increase in Chapter 70 funds. There are no new mandates at this time from the federal government that would require additional staff positions. He said that a primary commitment in preparing this budget was to keep the number of teachers they have because they have no idea about the full extent of the impact on the children academically and keeping the same adult teachers in front of them will be the best way to get kids back to where they need to be.

Ed Coleman asked if there were trends in the Auburn School Department for many retirements by baby-boomer generation workers.

Supt. Handfield replied that there were not many in Auburn and the majority of the current teaching faculty and related staff are in the 1 year to 25 year longevity range. The Superintendent said that a law is being considered at the state level for early incentive retirement, but that would not affect Auburn too much. There may be at most 5 to 10 individuals that would be able to take advantage of the incentive. He said that some towns have the opposite situation with many older workers and would benefit financially if the law was passed.

Ms. Cavanaugh asked about contractual obligations for the Nurses, Teachers and ABA groups that are in negotiations. Ms. Cavanaugh asked if all of these would be retro-active raises. Superintendent Handfield replied yes, but he believes that the contracts would be settled by the end of the fiscal year.

Ms. Cavanaugh asked if the state was making any consideration for Chapter 70 funds because students may come back before FY22 ends and enrollment increases. He said that additional funding is being debated at the state level and they will continue to monitor the situation.

Chair Cavanaugh asked about the status of the SPED Stabilization Reserve Account.

Casey Handfield said that the balance in SPED Stabilization was \$475,000.00.

Kevin Kennedy asked about the maximum amount or cap that can be in the account. CFO Ed Kazanovicz stated that there was a 2% cap in the formula, making the ceiling at the time about \$550,000.00.

Superintendent advised that they are researching the possibility to bring some SPED students from outside placement to in-house.

Ms. Cavanaugh discussed SPED transportation costs. Supt. Handfield said that again SPED contract proposals were often by sole vendors.

The Finance Committee voted to recommend approval of a FY2022 total bottom-line budget appropriation of \$27,988,540.00 for #01201 School Department, as recommended by the Town Manager (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Mr. Kennedy, Yes; Mr. Coleman, Yes; Mr. Marshall, Yes; Ms. Cavanaugh, Yes - passed 4 to 0.

Members reviewed the School Department CIP requests for FY2022 that totaled \$917,000.00.

The Chair thanked Mr. Handfield and Ms. Wirzbicki for meeting with the Finance Committee and presenting the budget.

#### #01303 Norfolk Agricultural

CFO/Asst. Town Manager Ed Kazanovicz discussed the budget and he said that the appropriation recommended by the Town Manager was for two students and if only one student attended, then the administration would recommend an adjustment at the fall town meeting.

Anne Cavanaugh asked if the recommended appropriation included transportation services. Mr. Kazanovicz replied that the appropriation did include transportation costs.

The Finance Committee voted to recommend approval of a total bottom line appropriation of \$69,000.00 for #01303 Norfolk Agricultural for FY2022, as presented in the recommendation of the Town Manager (Motion made by Mr. Kennedy; motion

seconded by Mr. Coleman) roll call vote: Mr. Kennedy, Yes; Mr. Coleman, Yes; Mr. Marshall, Yes; Ms. Cavanaugh, Yes - passed 4 to 0.

At 8:22 P.M. the Finance Committee voted to adjourn the meeting (Motion made by Mr. Kennedy; motion seconded by Mr. Coleman) roll call vote: Mr. Kennedy, Yes; Mr. Coleman, Yes; Mr. Marshall, Yes; Ms. Cavanaugh, Yes - passed 4 to 0.

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

The following documents were part of the Finance Committee's Meeting of March 17, 2021 and are retained in the Executive Office of the Town Manager:

- March 17, 2021 Agenda
- FY2022 Department Budget Requests (Including Capital Improvements) - Bay Path, Auburn School Department, Norfolk Agricultural
- Presentation - Auburn School Department Fiscal Year 2022 Budget Presentation March 17, 2021
- Presentation - FY 2022 Proposed Bay Path Budget Town of Auburn 3/17/2021