

November 9, 2022

To: MERSD School Committee (SC)

From: Avi Urbas, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: Financial Package for 11/15/22 School Committee Meeting

Hello, MERSD School Committee.

Attached please find financials for the 11/15/22 School Committee Meeting, including:

- Accounts Payable (AP) vouchers, V1020 and V1021
- Payroll vouchers for October (10/13, 10/27)

V1020: monthly payment of \$340 to Center for Medicare & Medicaid Service for small number of legacy retirees that MERSD migrated to Medicare after initial eligibility from our significantly more costly retiree plan. The original Purchase Order for this spending was \$410/month, but we now have one fewer person to cover, so \$340 will be the expected figure going.

V1021: main AP voucher totaling \$708,696.

Updated Reports:

In addition to the standard excel reports, I have added a new report in the file that summarizes expenditures by budget category for the General Fund (fund #101 on our ledger), which is the taxpayer-funded budget. You can use this table to compare spending on this (and future) voucher to categories on the most recent budget to actual/forecast report. This same information has also been added to the "invoice detail" worksheet, so you can see how every single expenditure is classified relative to the School Committee approved budget categories. For invoices charged to non-budget funds, the label "Grant/Revolving" or "Payroll Deduction" will appear, as applicable. As a reminder, the Payroll Deduction category (fund #903 on our ledger) is funded by employees/retirees, not MERSD, for their contribution to benefit programs. We include invoices paid from these funds on the voucher as part of our disclosures prior to the release of funds. Revolving funds are self-sufficient funded fee-based programs (e.g., School Choice, building rentals, athletics, school lunch, and PreK), but we do monitor them during the year as they have potential to run into deficit if fees come in below expectations or expenses run higher.

Of note:

- Facilities/Operations:
 - \$1.8K to Gale Associates for progress payment on field turf design contract, bringing total billings to \$27.7K out of the \$54K contract.
 - \$13.4K to Jeffrey's Creek for final loam and seed of Essex Playground, Phase 2, bringing total site beautification costs to \$26K. This was above our original \$21K estimate because we requested wood chips for the bench seating areas. Funded by Stabilization reserves.

- \$1.4K to Salter Transportation for fuel escalation costs per the terms of our contract. Due to savings from route consolidation that exceeded budget estimates, this category is forecasted to end better than budget, despite this escalated cost.
- Athletics:
 - \$7.4K in payments to referees for fall sports. No change to our last budget forecast for this category. For sports, the General Fund budget pays for personnel costs (Athletic Director, administrative assistant and coaches) and for contracted officials. All other operating expenses (supplies, transportation, league dues, facility rentals for practices) are paid from the student fee-based revolving fund.
 - \$4K to Sun 'N Air Golf center for facility rentals for practices. This is funded via the athletic revolving account, and spending so far is within projections, to have the revolving fund break even for the full year. It is very early in the year, however, so there may be potential variability in enrollment (i.e, user fees) for winter/spring and related changes to forecasts for costs.
- Administration:
 - \$6.1K to Traveler's for annual property insurance on pedestrian footbridge, which per the regional agreement is MERSD's responsibility to maintain. Within budget.
 - \$9.5K to Sherman Actuarial Services for our bi-annual OPEB (retiree healthcare) valuation as required by the Government Accounting Standards Board (GASB). This is part of the "District Admin" budget category for which a transfer increase was needed at the last update (due to administrative technology upgrades, unrelated to this valuation report cost, which was expected). Information from this actuarial report is included in our audited financial statements and our annual letter to taxpayers about unfunded pension and OPEB liabilities. Although we continue to pre-fund our OPEB liability at levels far beyond most other communities, our \$4.1 million trust fund balance at 6/30/22 covers only 16% of our Actuarial Accrued Liability of \$25 million. Our annual contributions in each of the past five years, by contrast, have ranged between 89-95% of the expected amount needed to cover current-year portion of the liability (aka "Normal Cost") and the amortization of the unfunded liability, which is great news. The report will be posted on our website in the coming weeks, once finalized.
 - \$25K to London Health Administrators for periodic funding of our employer-funded Health Reimbursement Account. Within budget. MERSD funds approximately \$100K annually, which pays for the first 50% of employee health insurance deductibles. This contribution is funded from the annual savings generated when MERSD moved to a lower cost, higher deductible plan.
- Curriculum/Instruction & Technology
 - \$4.5K to EdPuzzle for annual K-12 license for instructional software program that allows teachers to integrate interactive, student comprehension questions with video-based content. Following the recent School Committee approved budget transfers, this category (Instructional Technology) is now within budget.
 - \$2.3K to Learning without Tears for annual license of handwriting program. Within budget.
 - \$2.1K to OZO Edu, for our annual materials cost on our elementary robotics curriculum - split between the elementary schools and within budget.

Payroll Warrant for October. Warrants for the 10/13 and 10/27 biweekly payrolls are attached. The first October payroll is about \$50K above typical levels, due to expected fall coaching payments, which are currently slightly better than budget on a full-year forecasted basis. The 10/27 payroll resumes to

the more typical bi-weekly range, albeit with the addition a few remaining coaching payments (\$8K) and addition of one temporary, extended duration substitute to cover a short-term medical leave at the HS.

Please let me know if you have any questions.

Best regards,

Avi Urbas