

November 16, 2023

To: MERSD School Committee (SC)

From: Avi Urbas, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: Financials for 11/21/23 School Committee Meeting

Hello, MERSD School Committee. Attached please find attached financials for the 11/21/23 School Committee meeting, including:

- Accounts Payable (AP) warrants 1026-1028
- Payroll vouchers for October

AP Vouchers

V1026: \$16.00 for taxes on meals purchased by staff in October. On separate voucher because funds are transmitted electronically to the MA Department of Revenue.

V1027: \$5,444.24 Middle School request to transfer funds from Student Activity savings account to checking. A list of checks written since the last transfer is attached with the excel documentation.

V1028 main AP voucher, totaling \$1,084,342.12, of which:

- \$836.5K is General Fund budget expense, with additional detail below
- \$95.9K is employee-funded payments for their share of benefits in the Payroll Deduction Agency fund (fund 903)
- \$65.1K in monthly expense for our food service program (fund 700) in October
- \$29K in FY24 out-of-district tuitions (OOD) funded through FY23 Carryforward encumbrances (prepayments) in Fund 114 as approved in June by School Committee
- \$19.5K in OOD related to School Choice students (fund 120) to be reimbursed by sending districts in subsequent school year.

A few items of note:

- Curriculum & Instruction:
 - \$16.2K to Culture7 for planning and professional development services with Michael Eatman through November, funded by FY24 Title IV (\$10K) and FY24 Safe & Supportive Schools (\$6.2K) grants.
 - \$2K to NEASC for December conference for district leadership. We are going through the NEASC external review process districtwide, including a recent launch at the elementary level.
- Facilities & Administration:
 - \$5.7K to Hertz Furniture Systems for classroom chairs at the MSHS. The FY24 Capital Plan included a \$14K estimate for furniture replacement at the MSHS due to the age of existing stock. With the failed override, and delay of capital investments due to use of reserves for the turf field project, this much needed expense is currently funded through the district annual budget allotment for small capital. This is similar to the funding plan for the \$33K cost last month to replace the MSHS kitchen braiser through the annual small capital budget allotment. With a turf reimbursement from the towns

- now approved in Essex, we will begin to revisit necessary one-time capital investments through reserves as originally planned in keeping with best practice.
- \$50K (2 payments of \$25K) to London Health Administrators, which prefunds our Health Reimbursement Account (HRA). The first payment was originally scheduled for September but was delayed accidentally in AP processing. Our typical annual spend is roughly \$100K, which is front-loaded towards the beginning of the year. As a reminder, by agreement with META, MERSD pays the first 50% of employee's deductible costs through London Health HRA contributions. This employer contribution is funded by nearly \$300K in annual savings on premium, as higher-deductible HRA plans have premium that is more than 10% cheaper. After factoring in the HRA contribution, MERSD has net savings of nearly \$200K/year.
 - \$179.5K in annual premium to MIIA Property & Casualty. MIIA is a consortium offshoot of the MA Municipal Association, which allows for volume purchasing and in some cases cost efficiencies for various insurance programs. Of this amount, \$120K is our annual property and liability insurance cost. This increased substantially in FY22 due to the much higher valuation of the new Memorial School, and has been stable since. An additional \$67K is the premium for our annual workers' compensation insurance, which has been more consistently stable due to low claims.
 - \$6.5K for annual insurance on Lincoln Street pedestrian footbridge – for which MERSD is responsible per our lease agreement with Manchester-by-the-Sea. We began insuring the footbridge after it was hit by a truck several years ago; thankfully that repair cost (nearly \$200K) was eventually recovered by the trucking company's insurance. Our annual premium covers MERSD in the event that there is no outside entity's insurance to pay.

Payroll Vouchers for October

Payroll vouchers for bi-weekly pay dates in October are attached and total \$778K (10/12) and \$797K (10/26). These amounts are slightly above the \$726K amounts seen in September. The 10/12 voucher includes \$47K for fall coaches and the 10/26 voucher includes \$62K of employee separation/legal settlement costs from the prior year.

Please let me know if you have any questions.

Best regards,

Avi Urbas