

October 12, 2023

To: MERSD School Committee (SC)

From: Avi Urbas, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: Financials for 10/17/23 School Committee Meeting

Hello, MERSD School Committee. Attached please find attached financials for the 10/17/23 School Committee meeting, including:

- Accounts Payable (AP) warrant 1020
- Treasurer Cash reports for August
- Payroll vouchers for August & September

AP Voucher 1020

Just one AP voucher for this meeting, totaling \$1,148,952.06, of which \$286K is from the FY24 General Fund taxpayer budget. An additional \$40K is paid out of the FY23 carryforward encumbrance fund, consisting entirely of special education out-of-district (OOD) tuition prepayments with an additional \$12K paid by the Athletics revolving fund, mostly for transportation expenses.

Turf Payment, Budget Update and Impact on Reserves

The large majority of this voucher is the \$794.4K charge to the School Choice fund, of which \$770K is to Sprinturf for turf field construction services in September. This includes completion of Hyland field and progress payments for Coach Ed Field turf at Brook Street related to turf manufacture, removal of the pre-existing turf, base remediation (leveling) and 50% of delivery. Both turf fields are now completely installed and in use, and feedback about the quality of playing experience has been positive. As such, we expect final billing in October, subject to release of retainage, which is the 5% of contract value that MERSD withholds for each stage of completed work to ensure that the contractor completes all essential details by the end of the project. We do have a small “punch list” of outstanding work that the contractor is working through, and once completed, retainage will be released.

Remaining billable amounts for Sprinturf total \$261K and there will also be a small amount of other costs related to final payments to Gale and budgeted maintenance equipment for the turf that MERSD is purchasing directly to avoid mark-up. Importantly, change orders for the project total just \$2.3K, an extremely positive outcome that currently suggest potential project savings of roughly \$220K (you may recall that MERSD budgeted 16.6% of construction cost or \$224K for ‘contingency’/change orders – see 3/7/23 School Committee meeting materials for more information related to the turf project budget).

With this payment, the total amount charged to School Choice reserves for the project so far is \$887K. As you may recall, we ended FY23 with \$1.46 million in the School Choice fund, so this brings that balance down to roughly \$570K, and remaining turf project payments would bring the balance down further to just over \$300K, making the strategy for replenishment of these funds – through town repayment or other means – an essential financial priority for MERSD.

Other voucher 1020 items of note:

- Administration:

- \$1.2K to Anderson & Krieger, special counsel, retained by MERSD School Committee to advise on the legality of turf field borrowing, and implications/options related to the failed override, for services rendered prior to spring Town Meeting.
- Facilities:
 - \$8.1K to Delta Beckwith for FY24 service agreement for Middle High School (MSHS) elevators and wheelchair lift.
 - \$6.1K to Fulton Heating for annual service contract on boilers at Memorial (MMES) and MSHS. These are new, high-efficiency boilers. Service for the Essex Elementary (EES) is handled under a separate contract.

August & September Payroll Vouchers

Signed vouchers for bi-weekly payroll in August and September are attached. The first two pay dates in August (8/3 and 8/17) total \$150.3K and \$145.6K respectively, reflecting the lower amounts paid over the summer, with the slight difference between them relating to the special education summer program, which had begun to wind down by 8/17. Subsequent payrolls (8/31, 9/14 and 9/28) reflect the resumption of school-year staff payments, and total \$717.4K, \$725.4K, and \$725.7K, respectively, with teaching assistants receiving only a partial pay on the first payroll of the new school year. With staffing levels now mostly settled for the school year, we will be ready to present our first budget-to-actual report at the next school committee meeting (11/7/23).

Treasurer's Report for August

Treasurer's cash reports are attached for August showing available funds of \$12.371 million, an increase of \$1.7 million. A detailed report showing \$4.4 million of incoming funds is included in the treasurer's report. Much of this relates to incoming reimbursement funds from member towns (capital budget assessments) for debt service payments made by MERSD in July and August and stable monthly operating assessments. This amount was offset by payroll and AP vouchers paid in August.

Please let me know if you have any questions.

Best regards,

Avi Urbas