



SCHOOL COMMITTEE

BUSINESS MEETING OPEN SESSION MINUTES

January 7, 2025

Meeting:	School Committee
Date:	January 7, 2025
Location:	MERMHS Learning Commons
Attendees:	Pamela Beaudoin, Superintendent Michelle Cresta, Director of Finance & Operations Chris Reed, Chairperson John Binieris Jake Foster Kate Koch-Sundquist, Vice-Chair Anna Mitchell Erica Spencer Theresa Whitman
Absent:	
Guests:	
Recorded by:	Maria Schmidt
Link to Reports and Presentations	https://www.mersd.org/domain/785

A. **Call to Order** – Mr. Reed called the School Committee Business meeting to order at 6:11 p.m. Due to technical issues, there will be no projection available for the current meeting or recording. All meeting materials are posted on the district website for review.

B. Business Meeting Open Session

1) **Public Comment** (Guidelines for public comment can be found in sections BEDH and BEDH-E of the School Committee policy manual) – none

2) **Consent Agenda**

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- Acceptance of Warrants: AP Vouchers 1037 – 1041 and payroll warrant for January 2, 2024
- Minutes for Approval: December 11, 2024

Ms. Koch-Sundquist moved to approve the Consent Agenda; Ms. Spencer seconded the motion.

The motion passed unanimously.

- 3) Continued Business** – Feasibility Study Agreement for the Essex Elementary School Project. The FSA agreement formalizes the district's commitment to follow the scope outlined for the feasibility study and the MSBA's commitment to reimburse up to 31% of eligible costs (capped at \$465,000). This is an initial step in the MSBA's grant process. There will be a similar agreement when the district enters the full project phase.

Ms. Whitman moved to approve the motion as drafted by Superintendent Beaudoin: The MERSD School Committee hereby authorizes the Superintendent to execute the Feasibility Study Agreement with the Massachusetts School Building Authority (MSBA) for the Essex Elementary School Project. This agreement enables the district to conduct a Feasibility Study to explore potential solutions for addressing the deficiencies identified at Essex Elementary School and to determine the most cost-effective and educationally appropriate course of action in collaboration with the MSBA.

Ms. Koch-Sundquist seconded the motion.

Clarifying Questions: Ms. Spencer asked if the agreement was provided by the MSBA or created by district counsel. The superintendent replied that it is a standard agreement provided by the MSBA. The SC meeting packet also contains a second letter from counsel that affirms that the School Committee is the governmental body with full legal authority to execute the FSA on behalf of the district and to bind the district to its terms.

Discussion: Ms. Koch-Sundquist noted that the scope of work includes three options: 1) grades K-5 at EES; 2) grades K-2 at EES and a district grade 3-5; and 3) district wide K-5 at one location. Ms. Spencer commented that a thorough exploration of all options will support confidence in the final decision that is reached. Ms. Koch-Sundquist said that it will also increase the ability of SC members to discuss that decision.

The motion passed unanimously.

- 4) Student Report** – Stella Straub. Ms. Straub shared three topics of interest from the student body – the library, school safety, and a proposed art requirement. Ms. Straub said that there were many complaints about the library at the beginning of the year. However, since Ms. Baglione has taken over, there has been a noted improvement to the space, and the students are appreciative of her work. Ms. Straub shared that recent changes to entry protocols have students questioning school safety procedures. Previously, Resource Officer Andrea Locke was stationed at the front door for arrival,

holding it open as students entered. Officer Locke is no longer performing this task. Students have encountered locked doors at arrival and had to wait for a staff member to let them in. Officer Locke is no longer stationed at a desk in the building's entry foyer. This location previously allowed Officer Locke to monitor entrants to the building. Ms. Straub asked for clarification on the district's school safety procedures with these changes and the implementation of the new Raptor system. Ms. Straub said that some teachers have mentioned a pending vote at the high school regarding the addition of an art requirement for graduation. Ms. Straub shared that are not in favor of this potential change, because they do not believe that they should be forced to take something they may not need in the future.

Discussion. Ms. Koch-Sundquist asked for clarification regarding student safety concerns. Ms. Straub said that, because the front doors are always locked, students have had to ring in for admittance or await a staff member. This seems to be a security issue, but the students have not seen anyone screened as they enter. Students are asking for information about the Raptor system. Ms. Straub said that students are wondering why the resource officer's desk was removed from the location where she could monitor visitor entry. Ms. Straub shared that the doors have been locked during arrival between 7:20 -7:45 am. Superintendent Beaudoin expressed surprise that the doors were not open during this period. Ms. Straub said that they have been locked during arrival for the past two years. The entry doors at the B-wing are locked unless staff is there to hold them for students. This usually happens around 7:30 am. The superintendent recommended bringing this issue up with the Advisory Council.

Mr. Foster stated that he thought the arts conversation remains at the discussion level and asked how the topic was propagating to a vote at the high school. Superintendent Beaudoin confirmed with Ms. Straub that students are hearing about it in class. The superintendent stated that the development of the program of studies requires that the high school principal work with stakeholders, including teachers and students, to craft recommendations. This is the referenced vote. Superintendent Beaudoin expects to have a recommendation on the considered art requirement for graduation by next week. That recommendation will not be the final decision.

Mr. Reed clarified that the new Raptor system is for visitors and uses their photo identification to track entry and exit from the building. The system should reduce unauthorized people in the buildings. Superintendent Beaudoin shared that Memorial Elementary rolled out Raptor first. Superintendent Beaudoin said that building configuration at the older buildings will require adjustments to optimize the Raptor visitor system. The system performs a quick background check on each visitor, alerts administrators if there are any concerns, and provides entry and exit lists.

5) Chairperson's Report – none

6) Sub-Committee Reports

- **Elementary Facilities/MSBC Sub-Committee** (John Binieris/Theresa Whitman) – No Report
- **Finance Sub-Committee** (Jake Foster/Anna Mitchell) – Ms. Mitchell said that the subcommittee met and will report out more during the budget discussion. The finance subcommittee recommended that the SC calendar and the budget calendar be married and discussed the upcoming budget process, asking how the finance subcommittee should expect to support the process.
- **Negotiation Team Sub-Committee** (Kate Koch-Sundquist/Chris Reed) – No Report
- **Policy/Communication Sub-Committee** (Kate Koch-Sundquist/Erica Spencer/Theresa Whitman) – Reserve policy discussion as part of SC workshop.

7) Workshop – The workshop format of the current SC meeting focused on open School Committee items and was open-ended. Mr. Reed adjusted the order of topics from the meeting agenda as follows.

- a. **Reserve Policy Development** – Ms. Koch-Sundquist stated that the policy subcommittee has not met since the new draft was distributed. Superintendent Beaudoin clarified that the workshop's goal is not to complete a formal vote but to close out the discussion on major factors of the proposed reserve policy. Mr. Reed can employ straw polls to determine what SC members want regarding various points of clarification, including the 8% target for E&D, references to OPEB, and other items. This final input can be sent to the policy subcommittee for revision of the draft policy to its final form. The superintendent clarified that the SC meeting packet includes both the first read draft and the Triton template. The highlighted areas are talking points.

The School Committee discussed the highlighted issues and resolved to make the following updates to the reserve policy draft:

- i. Use the Triton template
- ii. Include 8% as the E&D target
- iii. Exclude OPEB from the 8% E&D target
- iv. Strike red highlighted sections
- v. Strike 3% E&D reference
- vi. Keep blue highlighted sections, for now
- vii. Strike the 15% of total general fund operating and capital budget reference

- viii. Move the last sentence from the E&D section to the General Stabilization Fund section
- ix. Update “Reserve Class” language in both the E&D and Stabilization paragraphs to “Usage.”

Ms. Mitchell asked if the policy should include a definition of other revolving accounts previously included in E&D estimates. Mr. Foster said that would not be necessary because the SC reached consensus on the definition of reserves as excluding revolving accounts. These revolving accounts will be included with the bigger picture of income in the future and not placed with reserves.

Ms. Whitman proposed adding to the policy the reasoning for the target percentage. The current discussion was motivated by community input and trends in town E&D limits. Ms. Whitman said this would provide context for how the SC arrived at the target percentage. The Triton template referenced the recommendations of financial rating agencies. Ms. Spencer stated that she does not find this valuable because agencies can be found with varied recommendation figures. Ms. Koch-Sundquist stated that, should the town partners decide to change their E&D goals in the future, policy documentation might lead future School Committees to update the reserve policy target based on changing town policies. Ms. Whitman emphasized the importance of providing context for how the 8% target was chosen – either because of industry advice or because of standards set by the town partners. Ms. Mitchell stated that she does not think this is necessary because the towns operate differently than the district. A reference could limit the SC later. Ms. Whitman said that the current change in the district’s target E&D stemmed from changes to partner policy. The Town of Manchester reduced its target. Ms. Spencer said that she does not think the reference is necessary but would agree to inclusion in order to move the draft along. The superintendent shared that the auditors would not provide a concrete target number recommendation.

The SC agreed to exclude OPEB contributions from the 8% target. The School Committee reviewed wording of the proposed Reserve Fund Policy and made adjustments to language. Ms. Whitman stated that part of the conversation about reserve policy is that the Stabilization Fund does not fund automatically. When the budget is tight, a stabilization line item is one of the first things to be cut. Ms. Whitman asked how the SC would address funding for the stabilization fund. Mr. Foster said that the 8% target would allow for funding the Stabilization Fund because only 5% can be put into E&D. Ms. Koch-Sundquist noted that anything in excess of 5% must go to the operational budget. Mr. Foster said that the SC could choose to fund the Stabilization Fund as part of the budget process. Mr. Foster stated that the SC should not be directed by a policy to prioritize one spending item over another. Superintendent Beaudoin said that stabilization is a priority, but the district lacks the funding to address it. The superintendent said that this is a potential justification for imbedding stabilization funding in the policy - to

create a policy statement that funding long-term capital needs is equivalent in priority to the general fund. Stabilization is often under-funded when competing with more immediate needs of the program. Ms. Mitchell noted that, if it were included in the policy, the SC would already be going against policy since the district is not including stabilization contributions in the current budget. Ms. Whitman said that the policy is phrased in terms of “strive to” or “attempt to” and is not intended to be binding. Ms. Whitman asked for additional deliberation on this issue before striking the language in the last clause of the E&D paragraph related to the Stabilization Fund. Ms. Whitman said she would like feedback from other sources, as well. Ms. Spencer proposed adjusting the language of the last clause, rather than striking it, to “while still considering the funding needs of the General Stabilization Fund.” Mr. Foster supported the update since it prompts the conversation without requiring a specific outcome. The superintendent suggested divorcing this sentence from the E&D paragraph and moving it to the General Stabilization Fund section. Additional changes to language were approved.

Superintendent Beaudoin will make the preceding updates to the Reserve Policy draft and send it to the policy subcommittee for final edits before it is presented to the full SC for a final vote on January 21, 2025.

- b. **FY26 Budget Development** – Mr. Reed time-boxed the budget discussion to provide adequate time to address the remainder of the agenda. Superintendent Beaudoin provided an update on budget factors. Latest healthcare projections are at 24% increase, down 3%. There has been no movement on other budget variables. The district has begun the process of reaching out through its insurance broker for opening bids and is working aggressively to change the final healthcare numbers. The district will review received bids. Superintendent Beaudoin said that the district hopes to reduce the final percentage to 15-18%. Variables include the current market increase and the district’s large losses over the last couple of years. The superintendent said that the district is also monitoring Out of District (OOD) placement and may realize potential savings with students aging out of the district. The district is reviewing the budget line by line to identify areas of efficiency. Superintendent Beaudoin said that the district cannot expect state funding to help the bottom line, and those numbers will not be final until July.

Mr. Reed stated that healthcare is not just a one-year challenge. The district can expect it to be high again next year and hopes that following years will have more standard increases. Ms. Cresta said that a 24% increase equals an estimated \$1.2M. Each percentage point is roughly \$40K.

Superintendent Beaudoin asked for School Committee input on what the administration should consider as it works to draft the recommended budget. The district has prioritized the students and the program. The district’s process is to start with mandated spending and then maintain investments that keep the district competitive and reflect the practices of other local districts.

Superintendent Beaudoin asked for SC priorities and parameters for the district to work within, including tolerance for program cuts and reserve use. The superintendent asked for guidance on pass-through costs to the towns and what the growth rate should be.

Ms. Whitman spoke to the spike in healthcare rates being related to usage. Ms. Whitman said that benefits are part of the employee package. Ms. Whitman expressed her discomfort with utilization of those healthcare benefits being tied to potential layoffs and the message that sends to staff, particularly those enduring medical crisis. Ms. Whitman suggested separating the portion of the increase related to increased usage and exploring how reserves or OPEB contributions could be used to meet this portion. Superintendent Beaudoin said that the portion of the increase related to market increase is around 10%. Ms. Mitchell clarified that the proposal is to look at the additional increase as a separate problem to solve. Ms. Whitman said this would not necessarily be addressed through reserve use, but the district would explore utilization of reserves or additional OPEB opportunities in addition to what is being applied to the budget as part of the regular budget work. The district would continue to pursue other budget strategies as normal. The superintendent said that 14% is about \$600K. Superintendent Beaudoin noted that the benefits package agreed to in the contract always puts the district over 2.5% growth for healthcare. Ms. Cresta cautioned that healthcare does not go down year-to-year. The increase next year would still be on the final number from this year. Ms. Spencer confirmed that healthcare rates are increasing for Manchester at 10% and Essex at 15%.

Ms. Spencer said that OPEB must be understood from an actuarial perspective. The district needs to meet the obligations for which the fund was designed. Ms. Spencer said that there should be a conversation addressing whether there is space to utilize OPEB during the current, drastic year and whether this position is replicable. Superintendent Beaudoin said that OPEB is required to go to retiree healthcare. Reserves may be able to address the sharp rate increase in the short-term, but it becomes part of the budget each year after. The superintendent cautioned that reserves are fine as a bridge to a long-term correction. If the School Committee is able to determine how long that bridge is, the district can determine how long funds will last.

Superintendent Beaudoin asked if the SC sees the program staying level rather than growing. Ms. Whitman suggested that the district not cut the operational budget to account for the extraordinary healthcare increase. Mr. Foster appreciated the option of rethinking OPEB contributions, given the fund's purpose, but questioned how current teacher needs are the same as retiree health needs. The superintendent said that an actuary should provide insight into how current employee healthcare relates to retiree healthcare and the state of the fund. After their last assessment and discussion, the district was able to defer \$150K last year from OPEB contributions. Mr. Foster noted that, although the proposal to separate the bulk of the insurance increase into a

separate problem to be addressed is a strong messaging decision, the funding opportunities are the same. Ms. Whitman said there is value in not cutting the operational budget due to the extraordinary healthcare increase. Mr. Foster reiterated that it is hard for him to have this conversation without a longer-term picture and said that the district is setting itself up to have this challenge again next year.

Mr. Foster said that he would like to know what it will take to reach a correction with the towns and to map with the towns the route to achieve a correction. Mr. Reed pointed out that previously the district administration and School Committee worked toward that goal and planned a correction for two years ago that did not materialize. The district has since relied on reserve use and continues to experience pressing needs as a result of that failure. Ms. Koch-Sundquist said that planning for the future must include the EES building project timeline. Ms. Koch-Sundquist said the district needs to get to the EES vote first. Ms. Spencer expressed concern that the towns would be facing a major hurdle with EES funding followed quickly by a correction request. Ms. Spencer said it would be better to pursue the correction before the building project. Superintendent Beaudoin stated that the school building vote is anticipated for Fall 2026 or Spring 2027. Mr. Reed said that the towns would likely need a couple of years after that and asked what would be left of the district. Ms. Mitchell noted that debt will mature in 2032. Ms. Mitchell emphasized the importance of a visible account of district administration work to locate efficiencies. Ms. Mitchell said that communication will justify the increased budget. Ms. Whitman agreed and said that her proposal regarding funding healthcare expenses assumes that efficiencies have been exhausted first. Ms. Whitman said that the alternative is to send the larger bill to the towns. Ms. Whitman stated that the SC does not ask for an override. The towns decide how to fund the district budget. Ms. Whitman said that the SC could consider sending the larger bill before asking the towns to vote for the EES building project so that programs are not cut.

Superintendent Beaudoin commented that the next budget iteration would likely have about \$300K in trimmed numbers. However, at that time the district will not have solid healthcare or other variable numbers. Ms. Spencer said that the SC is looking at competing objectives – maintaining level services and passing the EES building project. Ms. Spencer cautioned that if the programs are allowed to falter it will not be conducive to the success of the building project. Ms. Spencer advocated for a dialogue with town partners. Ms. Koch-Sundquist said that Essex Elementary represents the third component of the district's capital plan and reminded the SC that Essex is still paying for the Memorial project.

Ms. Whitman supported Mr. Foster's contention that, despite previous failures, the SC should continue to try for collaboration with its town partners to achieve an eventual correction. Ms. Whitman said her only sticking point to reviving the collaboration group would be ensuring an open meeting format.

Mr. Reed requested SC budget recommendations for the superintendent. Mr. Foster said that without town support for an override the SC must work to avoid it. Mr. Foster said that a successful correction is critical within the next 3-5 years. Ms. Spencer asked the Director of Finance to model reserve fund use to take the district through the EES vote. Ms. Cresta said that she can provide this model. However, it will not include unknown commitments. The general E&D fund currently has 1.4M. Superintendent Beaudoin said the E&D already has a \$350K commitment this year. Ms. Whitman asked if the model could include modeled increased asks to the towns of 3.5-5%. Mr. Reed pointed out that using reserves to fund the operational budget results in a decrease in the ask to both towns. Apportionment means that the majority of this savings will benefit the town that currently has excess levy capacity. Superintendent Beaudoin confirmed this, saying that for every dollar that needs to be saved toward the Essex bill, three times that amount must be cut from the budget. Ms. Whitman stated that towns also have E&D funds for use in extraordinary situations.

Mr. Reed noted that enrollment numbers are rising at the elementary level and asked what would happen if other sections require an additional teacher. Ms. Koch-Sundquist said that allocated efficiency saving should provide for additional staff and questioned the design of small class sizes in such a small district. Ms. Spencer said that the district has benchmarks for class size because, at some point, educational values are diminished by increasing class size. Ms. Spencer shared that she has heard of some parents considering leaving the district because of class size increases. Ms. Whitman said it may be necessary to change those benchmarks and prepare families for increased class sizes at the elementary level rather than cut programs at the high school level. Superintendent Beaudoin said that staffing growth has been addressed within a cyclical model, redistributing staff to the elementary level when the population bubbles there and then rotating back to different roles as enrollment spikes move out of the elementary. This has allowed the district to meet needs without changing overall staff numbers. Ms. Koch-Sundquist said that the concern about class sizes is coming from a small group, and their students will be moving to the middle school over the next two years. Ms. Koch-Sundquist did not perceive the principals to have expressed concern over class size numbers. Ms. Koch-Sundquist expressed concern over adding teachers versus saving money. Ms. Mitchell said that, rather than open up school choice positions, staff could be reallocated to the elementary school. However, Ms. Koch-Sundquist confirmed that when a position is moved between schools it is not usually filled by the same teacher. Mr. Foster said that the ability to shift positions between the schools could be lost by over adding school choice students. Superintendent Beaudoin said that during a previous surge in enrollment, parents were offered the option of enrolling their student at the other elementary school and driving there each day. Ms. Spencer said that the SC should not underestimate family commitment to low class sizes and pointed out that as class sizes have increased the district has

also seen an increase in student needs. This is exacerbating the impact on student experience in the classroom.

Ms. Koch-Sundquist recommended tight budget construction and use of reserves until 2027, when the EES building project will have reached a vote. Ms. Spencer expressed concern about asking for a correction right after the building vote. Mr. Reed said that the correction would have grown to about \$8M by then. Superintendent Beaudoin shared that in FY 2015-2016 the district override failed. The following year, a compromise override passed that included minimal growth, reduced reserve use, and addressed class size concerns. In FY 2017-2018 the Memorial building project was approved.

The superintendent said that on January 21, 2025, the updated Recommended Budget will be presented to the SC. A feedback session will be held on February 4.

Mr. Foster recommended starting with level services, locating efficiencies, and then looking at where to go from there.

The superintendent said that the district will target a multi-year budget model for the next SC meeting. It will also be working on the RFS/OPM process (Essex building project) in parallel with budget work.

Ms. Mitchell recommended aligning the district's major contracts with the budget cycle for the next few years, stating that the health provider contract should line up with the teacher contract. Superintendent Beaudoin said that if the district goes out to bid without receiving a better rate, the district could ask the union to go back to the bargaining table. In this situation, the district would need to be prepared to give somewhere else. Due to the length of negotiations, the superintendent said that it is difficult to achieve alignment with the healthcare contract. Superintendent Beaudoin said that OPEB considerations are on the docket for the next negotiation round. Superintendent Beaudoin acknowledged that the largest impact factors cannot be controlled by the district and the things held most dear cannot be controlled.

Mr. Reed asked for SC guidance on reserve use. The superintendent said that she is interpreting the ask as reserve contributions that can be sustained for 3-4 years. Ms. Spencer concurred, but said the horizon is about five years. Mr. Foster said that if a correction is triggered it should be pursued.

The School Committee discussed opportunities for collaboration with town partners, whether inviting the other board chairs to reconvene the collaboration group in open format or for SC representation to attend joint FinCom meetings.

Anne Harrison, Chair, Manchester BOS; Ruth Pereen, Chair Essex BOS; and Jodi Harris, Chair, Essex Finance Committee, were in attendance at the SC meeting and invited to join the workshop discussion.

Ms. Pereen said that she is in favor of having everyone in the room for a joint meeting, but the open meeting format limits what can be said. Ms. Harris said that the joint FinCom meetings have been important to increase understanding between the towns. Ms. Harris said that the FinCom's perspective is that if the school district needs more money it is the district's job to pitch that to the towns. Ms. Harris said that going over the 2.5% parameter is a conscious decision. Ms. Koch-Sundquist noted that the towns can choose to use their reserves. Ms. Harris stated that an override would be difficult before the Essex building project. Ms. Harrison said that all the boards should come together but acknowledged that not much was accomplished with this format last time. Ms. Harrison said that SC representatives could attend the joint FinCom meeting in order to have a voice. Mr. Reed said that he finds it hard to support the SC having a voice in town matters, but Ms. Harrison said that the SC should have a voice because it has a financial problem. Ms. Harris said that an SC rep has gone to the FinCom in the past to ask about levy limit limitations. Ms. Harris said that levy capacity is tighter in Essex, especially with apportionment. Ms. Koch-Sundquist proposed that the SC chair and vice-chair reach out to town partners to invite them to collaborate. Ms. Pereen and Ms. Harris supported future collaboration as the way to move forward.

- c. **Subcommittee Charge Development** – Mr. Reed did not receive interest in voting to extend the SC meeting.

Ms. Koch-Sundquist noted that the School Committee goals include work on collaboration opportunities. Ms. Koch Sundquist said that this includes a March deadline.

School Committee Goals

- 1) The school committee will continue to provide opportunities for open collaboration with town partners to pass a responsible budget and increase awareness of and support for the EES building project.
- 2) The school committee will collaborate on the development of a budget narrative that describes how key budget elements impact and connect to the district's educational program and strategic goals, to be drafted in time for March 2025.
- 3) The school committee will gather input from community, staff, and students to inform the development of a definition and metrics of academic excellence.

Ms. Koch-Sundquist said that she thought that the subcommittee charge would relate to the full SC assigning a subcommittee to work on specific SC goals. Superintendent Beaudoin said that the School Committee lacks basic definitions of the function of each subcommittee and what it is responsible for. The superintendent said that the full School Committee should define the work of each subcommittee, assign tasks to each, and respond to their work. Ms. Spencer asked if this could be done as topics arise. Ms. Whitman pointed out that there will likely be an SC reorganization in June, and not much time to cover these issues before new SC members are added.

C. Adjourn

Ms. Spencer moved to adjourn the School Committee business meeting; Ms. Whitman seconded the motion. The motion passed unanimously.

Meeting Adjourned at 8:32 pm

School Committee Future Meetings

- January 21, 2025
- February 5, 2025
- March 4, 2025
- March 18, 2025