



## SCHOOL COMMITTEE

### BUSINESS MEETING OPEN SESSION MINUTES

March 18, 2025

<b>Meeting:</b>	School Committee
<b>Date:</b>	March 18, 2025
<b>Location:</b>	MERMHS Learning Commons
<b>Attendees:</b>	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
<b>Absent:</b>	
<b>Guests:</b>	
<b>Recorded by:</b>	Maria Schmidt
<b>Link to Reports and Presentations</b>	<a href="https://www.mersd.org/domain/785">https://www.mersd.org/domain/785</a>

**A. Call to Order of** – Mr. Reed called the School Committee Business meeting to order at 6:04 p.m.

**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)**

**Sarah Stone**, 69 Pleasant Street, Manchester. Ms. Stone provided the following remarks: “I am here tonight to make a final request to you, our representatives on the School Committee, to vote in support of a level services budget. I trust that in times of such uncertainty, you will help our community feel confident about the direction we, as a community, are going when it comes to fostering and investing in our school system. I implore you to help our residents understand the crossroads our public schools find themselves at and the repercussions of not financially supporting the needs of our children.

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I challenge each member of this committee to inform Manchester and Essex residents about the extraordinary, collaborative and selfless work that is the education of a child. Your job as our elected School Committee is to proudly scream from the rooftops about all of the hard work, perseverance, and dedication our teachers give day in and day out - as proven by all of the previous graduates of our district and their successes. Our community is relying on each of you to clearly communicate why we must find the funding for a middle school principal and why it is imperative that we stop asking our school leadership to make cuts to essential personnel, curricular programs, and materials.

Tonight is just the beginning. Tomorrow is when the real work begins. I promise you that I will do my part. As a parent, I will continue to talk to my neighbors, those with children in the schools and those without, about the long-term investment that is a public education - the least risky investment we as a community could make. None of us can do this alone - I trust you believe we CAN and WILL do this together.”

**Sarah Davis**, 11 Highland Avenue, Manchester. Ms. Davis provided the following comments: “I walked away from having attended the last SC meeting pretty disheartened by the challenges faced this year, the lack of consensus toward a level services budget, and the time crunch to prepare for tonight’s vote, and ultimately annual town meetings.

I commend everyone for drilling down on the details – there was discussion of specific costs and broader financial models, data points, community feedback, and a myriad of other important inputs. But what stuck with me most were the remarks the student representative, a graduating senior, shared.

I’m condensing her remarks here, but she described that as a senior she thinks about what the school looks like after graduation and how much the school has given her, noting that if you attend these meetings it’s easy to see how much the school requires; and if you’re not in the school, as a student or a teacher, it’s hard to see all that the school gives and provides, including the amazing work that goes on every single day. **Ahead of graduating this year, she shared that “this will be the absolute greatest gift a person can ever receive.”** Wow, what a testament to the school district. This is why we are all here.

She went on to share: “Obviously students benefit from the school and everyone’s time, energy and money, but there’s a sense of responsibility that’s built, after you graduate, to give back to the people who provided you with so much when you were a student...that’s why people go back to their hometowns and raise their kids where they were raised – she ended with: **I worry about that relationship eroding, that symbiotic relationship between the school and community if we go down the line and start making cuts and not providing level services, I worry about the long term impact of that.** It’s a reminder that what is being voted on in this room tonight by the 7 of you is more than just the FY2026 budget. The outcome will shape years to come when it is a near certainty that we will face even more challenges.

I encourage you to vote a Level Services Budget; and after that, educate residents about the costs behind the need to increase revenue, work with town FinComs and Select Boards, and put on a full court press for support at annual town meetings in May. It’s not the easy path but it’s the right one, and you have many people in this room and online who will support that effort.”

**Robbie Bilsbury**, 126 Eastern Avenue, Essex. Mr. Bilsbury is also a teacher in the World Language department at MERHS. Mr. Bilsbury made a plea in favor of the full budget. Mr. Bilsbury said that it is his understanding that there is a \$9.8M surplus broken up into various Essex reserve accounts and asked that the Essex Finance Committee apply some of that towards supporting the schools. Mr. Bilsbury said that the schools do amazing things and are only requesting the maintenance of what they currently have. He stressed that the district is not looking for extra but striving to provide students with the full, robust program that others had before them. Mr. Bilsbury pointed out that he, and all Essex residents, have paid into the Town of Essex surplus and asked that some of it support the schools.

**Brian Gressler**, 30 Choate Street, Essex. Mr. Gressler expressed his support for the district full budget and the override, as a resident of Essex. Mr. Gressler said that it is his understanding that the Town of Essex intends to put the entire school district budget under the override warrant while getting the town operating budget funded outside of the override. Mr. Gressler said that this approach is devoting all of the levy limit capacity to half of the towns budget and asserted the town's operational budget also requires a correction. Mr. Gressler said that when the override is discussed, this larger picture must be considered. Mr. Gressler said that the required increase must address years of under-funding of both the school district and the town's operational budget.

**Lindsay Banks**, 40 Forest Street, Manchester. Ms. Banks provided her comments: "I wanted to thank the school committee for your hard work navigating a tough budget year given the high health care numbers.

I also want to thank the teachers who have taken the time to advocate for our kids and be clear about how what is discussed in this meeting means for their ability to teach and learn.

As I have made clear, I support and would vote for a budget that retains a principal for the middle school. I also don't think it's wise to cut a facilities manager as we need to ensure that we are caring for the buildings we've invested in. Given that a new or renovated EES is in the pipeline, this cut does not make sense to me.

I also wanted to directly address some of the points made by those who are calling for a completely unreasonable 2.5%, as low as 1%, budget growth for our schools. These growth rates are unreasonable to request of any school district given inflation, cost of living, personnel costs, and the current health insurance market.

We have been fortunate that the district has been able to keep average budget growth under a very reasonable 3.5% these past 5 years. We have a very extenuating circumstance that health insurance numbers are so high, exacerbating our budget situation.

Given those health care increases, especially this year- just as calling for 2.5% budget growth is unreasonable, it is unreasonable to call for 10-13 additional cuts "like Rockport" when we have already cut 15 positions over the past 5 years mainly through attrition.

It is unreasonable to demand that the district address inequities, but then demand a budget that would result in cuts to services that would address those very inequities.

It is unreasonable to claim that the district has not been transparent when, in fact, the very information demanded has been shared repeatedly in public meetings. I will say it louder and slower - costs are rising even though enrollment is dropping because we have more children that need more special education services that they are entitled to by the law. This requires more staff, more transportation. We have a responsibility to give every child what they need to learn successfully.

It is unreasonable to claim that households who don't use the schools don't benefit from them. The towns of Manchester AND Essex both benefit from having high quality schools because, first and foremost, the young people in our towns are able to thrive: even if you don't have a kid in the schools that's a win if you care about your community. We could also make it about home values- all of us benefit because the value of property in our towns goes up when the schools are high quality.

It is unreasonable to continue to demand an additional audit (our schools are already audited yearly) and ask taxpayers to fund it when there is no scope of work or proposed plan. Public schools are not businesses because they are not run for profit - they are run so our kids can thrive. Schools don't answer to shareholders or Finance Committee Chairs - they answer to their stakeholders: town residents, parents, teachers, and ultimately to the children they are meant to serve.

It is unreasonable and disingenuous to call for partnership between our towns as a way to argue against a Super Town Meeting, then refuse to even be open to have a conversation. Our regional partnership requires us to continue to collaborate and talk with each other even if we disagree. It is increasingly clear that, for the purposes of transparency, conversations between our town leaders must take place in open meetings.

It is unreasonable to isolate the schools for an override rather than planning an override that includes other town services, which Essex so desperately needs given that one has not been passed there in 20 years and all Essex town department budgets are starving. It is THIS decision that will likely force a super town meeting, NOT a lack of consideration or partnership between our towns.

These unreasonable demands and claims have served to distract our School Committee from its task at hand - to be a vigorous ambassador for public education before all citizens - and pass a budget that reflects that charge. I ask that you do that tonight by passing a level services budget."

**George Langendorf**, 38 Sea Street, Manchester. Mr. Langendorf shared that they chose to move to Manchester in large part because of the schools and what they represent – a community that is succeeding by passing budgets, building schools, and working collaboratively. Mr. Langendorf said his decision has been born out and thanked the School Committee for being on the vanguard of the effort to meet the needs of the school and work together. Mr. Langendorf noted the contribution of the school district to the communities, including property values, and expressed his support for the full budget.

**Betsy McKeen**, 35 Lufkin Point Road, Essex. Ms. McKeen thanked the efforts of the School Committee members and expressed support for the level services budget and the Essex override. Ms. McKeen said that she has spoken to many residents who will also support the override. Ms. McKeen said that the job of SC members is to think about the students and stakeholders. Ms. McKeen urged the SC to pass a level services budget and said that Essex will sort itself out. Ms. McKeen said that many in Essex are advocating for a different strategy for funding their town needs and the school budget. Ms. McKeen said that the effort to push the override fully onto the school district budget is seen by some as a way to isolate the district and make it easier to reject the override. Ms. McKeen said that this is unfair and that she would not stand by while the town needs are mischaracterized as remaining within 2.5% growth when it is actually riding on the coattails of the school override. Ms. McKeen expressed appreciation for the collaborative efforts of the School Committee and urged the passage of a level services budget.

**Christopher Wolf**, 4 Soginese Creek Road, Essex. Mr. Wolf. Mr. Wolf said that his family moved to Essex for the school system, and his children received a great education. While his children are now grown, Mr. Wolf said that he feels responsible for continuing to support the education of the next generation.

**Erin Greenwood**, 27 Norwood Avenue, Manchester. Ms. Greenwood spoke as both a school adjustment counselor in another district and as a mother. Ms. Greenwood spoke in support of the middle school principal and said that the district where she works does not employ a middle school model. Ms. Greenwood said that, while other models can work, there are unique developmental needs for students in grades six to eight that are precarious, tricky, and specific. As a mother, Ms. Greenwood was greeted as the parent of a rising middle school student by a principal that was clearly passionate about the middle school model. Ms. Greenwood shared how, during a personal incident, her family was enveloped in the support of Principal Maino and Mr. Janack, the middle school Dean of Students. Ms. Greenwood said that she felt supported as a parent by “the village.” This experience meant a lot to the students and families involved. Ms. Greenwood advocated for keeping the position of middle school principal.

**Jessica Pino**, 303 Summer Street, Manchester. Ms. Pino shared that she has three children and recently moved to Manchester. Given the reputation of MERSD, Ms. Pino expressed shock that the district could be without principals or librarians. Ms. Pino stressed that any town needs new families to thrive and expressed reservations about remaining in Manchester. Ms. Pino urged passage of a level services budget.

**Katie Vandi**, 171 Western Avenue, Essex. Ms. Vandi said that she is concerned about the schools and their need for financial backing. She said that whatever budget is passed at the current meeting is unlikely to be enough. Ms. Vandi has two students in the district and wants a great education for them. However, she said that if the district continues to require an override year after year, increasing taxes, she is concerned about being able to continue living in Essex. Ms. Vandi stated that this is a concern for a number of townspeople. Ms. Vandi said that some residents have contributed to the district for years but are faced with not being able to live in town. Ms. Vandi said that it is important that the conversation between the two towns continues and that it is public and transparent. Ms. Vandi expressed the hope that, with public input, the towns can find a path forward that is in the middle. Ms. Vandi said an override would benefit students now but questioned the long-term benefit, asking who would get to move here and

benefit. Ms. Vandi said she hoped it would remain a community available to middle- and lower-class families, fearing that at some point it would not be sustainable to many.

**Kathryn Chrzanowski**, 21 Harold Street, Manchester. Ms. Chrzanowski is a parent of four students and expressed her support for the full budget. Ms. Chrzanowski said that the towns need first and foremost to support the teachers and educate the students. Ms. Chrzanowski thanked School Committee member Erica Spencer for always responding to her emails. Ms. Chrzanowski later clarified that she is in support of the “level-services” budget.

**Elle Woulfe**, 82 Southern Avenue, Essex. Ms. Woulfe expressed her support for the level services budget and for the middle school principal. Ms. Woulfe said that she has experience with the 504 process and that the middle school principal was proactive with helping her family to set up a 504 meeting and bring the team together so that her student was not lost in the shuffle entering middle school. Ms. Woulfe expressed worry about what happens without the middle school principal. Ms. Woulfe said that it is a lot to ask one person to deal with the needs of all of the kids (referring to one principal for both the middle and high school) and said that she believes students deserve to have that advocate at the middle school. Ms. Woulfe said that she moved to Essex in large part because of the school system and is unhappy to see it whittled away. Ms. Woulfe expressed support for the full budget and the educational system for which she and many other families moved to area.

**Natalie Loisou**, 2 Harbor Street, Manchester. Ms. Loisou is also a Teacher’s Aid at Memorial Elementary School. Ms. Loisou said that her son spent one year in the Middleton school system and did not have a principal. Ms. Loisou described this as an extremely bad situation and said that a principal equals security, structure, and support for students. Ms. Loisou said that it is ridiculous to think that one person could be the principal for both schools. Ms. Loisou supported the vote for level services with the middle school principal retained.

**Brendhan Zubricki**, Essex Town Administrator. Mr. Zubricki said that the Town of Essex has many different types of reserve funds. Included in these is approximately \$1M in a stabilization fund and \$1.3M in free cash. Mr. Zubricki said that other reserve funds, including money from the sale of Conomo Point, cannot be used to support the schools. In total, Mr. Zubricki said that Essex reserve funds totaling approximately \$7M+ cannot be used for the town’s operational budget or the school district’s operational budget.

**Brian Parker**, 40 Pine Street, Manchester. Mr. Parker has three young children and recently moved to the community. Mr. Parker said that it is easy to become numb to the kinds of cuts that are being considered, including the elimination of the school principal, but that it is hard to believe it is being considered. Mr. Parker spoke to the suggested elimination of the district’s facilities manager position. Mr. Parker said that his experience in the heavy manufacturing industry has taught him the importance of this position. A facilities manager protects company assets and always returns its investment. Mr. Parker pointed out the importance of the facilities manager position given the district’s tens of millions of dollars of assets in new buildings. Mr. Parker said that school buildings used to last much longer, but now he has seen some being torn down within a short amount of time. Mr. Parker said a facilities manager is critical to making sure this doesn’t happen in this district.

**2) Chairperson's Report** – Mr. Reed made no report.

**3) Student Report** – Stella Straub. Ms. Straub again voiced student support for a level services budget and said that she hopes that students coming through the district will have all of the benefits that she and those who have gone before her had. Ms. Straub acknowledged that she is not yet a taxpayer or contributing member of society, but said that, while a 2.5% budget might look like a win currently, in the long term it is an erosion of the school and a downhill trajectory. Although the level-services budget may seem difficult now, Ms. Straub said that anyone can see that it is the correct direction in the long-term and sets the district up for future success.

**4) Consent Agenda**

- Acceptance of Warrants: AP Vouchers 1056-1057 and payroll warrant for March 13, 2025

*Ms. Koch-Sundquist moved to approve the AP Vouchers 1056-1057 and the payroll warrant for March 13, 2025; Ms. Spencer seconded the motion.*

*The motion passed unanimously.*

- Minutes for approval: March 4, 2025

*Mr. Foster moved to approve the Minutes for the School Committee meeting on March 4, 2025.*

*Mr. Binieris seconded the motion.*

*The motion passed 6-0. Ms. Whitman abstained.*

- 2025-2026 District Calendar - *Vote to approve.*

*Mr. Foster moved to approve the FY26 District Calendar.*

*Ms. Koch-Sundquist seconded the motion.*

Discussion: Ms. Koch-Sundquist stated that the district calendar was not on the agenda for the previous meeting. Although the School Committee was able to review the calendar at that time, they were unable to vote to approve at that meeting and delayed the vote until the current meeting.

*The motion passed unanimously.*

**5) Sub-Committee Reports**

- **Elementary Facilities/MSBC Sub-Committee** (John Binieris/Theresa Whitman) – Ms. Whitman reported that the facilities subcommittee did not meeting. Their first OPM meeting is scheduled for next week. The School Committee will vote at the current meeting to appropriate funds for the district's portion of the Essex Building project

feasibility study. Superintendent Beaudoin encouraged community members to attend the public meetings of the building committee. At the upcoming OPM meeting the timeline will be presented as well as the RFS for designer services. The building committee plans community engagement meetings for the spring and next fall.

- **Finance Committee** (Jake Foster/Anna Mitchell) – Mr. Foster presented a summary of the “number crunching group” meeting, the purpose of which was to hear from the town about their ability to support the proposed budget for the district.

Mr. Foster said that Essex has determined that it will require an override. Essex plans to build a justification for the override on the significant rise in health care costs and contractual obligations. Essex is assuming adoption of the February 4 proposed budget (Model A) with some modifications/assumptions:

- Decreased use of reserves because the SC should consider its policy target. Use of reserves also makes next year’s request that much bigger.
- Don’t include new School Choice revenue – There is too much chance that over the long-term school choice will cause the district to need additional teachers and incur additional costs.
- In favor of the two proposed administrative FTE reductions
- Asked that the district commit to returning any future reduction in the health care premium to the towns.

Essex representatives maintained that the impact of an override to the average Essex household would be just over \$500. Essex is not looking to fund multiple years at this time as the amount is too big and there are still aspects of the SC budget the town would like to understand, including:

- Data requests, particularly understanding FTE changes
- Understanding program costs, hopefully through a financial audit similar to what the town of Manchester just completed.

Mr. Foster said that representatives from Manchester also had worked with the February 4 proposed budget (Model A). Manchester is planning to pay for it with a combination of levy increases (including new growth) and reserves. Manchester will not need an override unless the SC votes a budget that is several hundred thousand more than this model. Manchester had the following requests/assumptions:

- Use of SC reserves
- Reduction of the two administrative FTEs positions.
- Additional revenue through OPEB offset and School Choice

With all of the Manchester levy increases, including capital projects and the district, Manchester representatives estimated that the average Manchester household to see just under a \$500 increase in taxes. Next year, Manchester may be able to avoid an override again as still have some reserves left, and likely to have new growth again.



Mr. Foster said that, following School Committee budget adoption, each town's FinCom and Select Board will move quickly to meet and prepare articles and amounts for their town meeting warrants. The number crunching group plans to meet again in April to discuss planning for town meeting. Preparations will include what has changed since last year, including health care costs, and expectations for FY27. The group also advocated for getting an early start on next year so that the district and towns do not find themselves in a time crunch as they are right now.

Clarifying Questions: Ms. Koch-Sundquist asked for clarification regarding the intention of the Town of Essex to devote the entirety of the town's excess capacity to funding its municipal budget growth. Mr. Foster said that he could not report on that because it was not discussed during the number-crunching meeting. Ms. Koch-Sundquist said that by designating the entirety of the school budget increase as the override amount the only way that the district could avoid an Essex override is by delivering a budget at 0% growth. Superintendent confirmed that this is the case. Mr. Foster said that Essex intends to pay for town growth within the regular budget and asked for assistance from Mr. Zubricki, present in the audience, in clarifying their approach to funding the district's budget. Superintendent Beaudoin said that her understanding is that the Town of Essex intends to fund the district, with all of this year's growth, via an override. Mr. Foster clarified that this was communicated to the superintendent following the number-crunching meeting.

Mr. Federspiel, Town Administrator for Manchester, clarified that the impact to the average Manchester household of adoption of the "Model A" 3.5% budget is just under \$400.

- **Negotiation Team Sub-Committee** (Kate Koch-Sundquist/Chris Reed) – No Report
- **Policy/Communication Sub-Committee** (Kate Koch-Sundquist/Erica Spencer/Theresa Whitman) – No Report.

**6) Superintendent's Report –**

**a. March 17 Professional Development Day** – Superintendent Beaudoin thanked Ms. Leonard and the PD team for their work in bringing together the district-wide, full-day professional development day on March 17. Staff input was utilized to identify a need and align the day to standards. The superintendent also thanked School Committee members for attending, Mr. Bilsbury for facilitating the student panel, and the Spaulding Fund for their presence at the event and their latest round of educational grants for the district. Superintendent Beaudoin explained that Spaulding provides seed money for trial programs. Staff is able to implement and evaluate a program. This gives the district time to decide if it can be absorbed into the operational budget.

**b. Save the Date**

- i. Math & Literacy Evenings at the Elementary Schools. The math and literacy coaches are holding two community outreach/parent support programs. Adults are invited to attend at Memorial Elementary on March 19 at 6:00 pm or at Essex Elementary on March 24 at 6:00 pm.
  - ii. Superintendent Coffee – March 27, 2025, 8:45 am
  - iii. MERSD STEAM night – March 27, 2025, 5:00 pm. Kindergarten through Grade 12 Showcase.
- c. **Fall 2025 School Choice Report** – Superintendent Beaudoin shared that the application period for school choice closed on February 28. The lottery is scheduled for April 8, 2025. Considering that the district will not have closure on the budget for FY26 until the May 13 ballot vote in Essex, the superintendent recommended that the school choice process be placed on hold until determination of a budget resolution. Over 230 applications were received for school choice. Before determining potential grades in which to add choice students, the district examines the projection report from the state. Currently, resident levels are expected to increase slightly over the next few years. Based on current staffing and enrollment, the district determined that the best places to include choice students would be in kindergarten (one at Memorial and eight at Essex) and four students for first grade at Essex Elementary. In addition, one student would be proposed for Essex third grade and six choice students for grade six at the middle school. Superintendent Beaudoin emphasized that, should the district fail to receive funding for the carry-forward budget, the resulting “backstop budget” would not allow for the acceptance of choice students. Superintendent Beaudoin concluded with the recommendation to pause the school choice process.

Ms. Koch-Sundquist asked if it would be possible to move forward with less than the full 20 proposed school choice students and asked if siblings of current choice students could be considered. Superintendent Beaudoin said that all siblings are embedded in the current proposals. There are nine siblings. The superintendent stated that budget realities would require a reduction in teaching staff and there would be no room to accept new choice students. Ms. Spencer stated that she has some questions about where choice would be opened, but she was willing to hold her questions until the matter is taken up again. The superintendent clarified that there are no grades that would not be impacted by staff reductions. Therefore, it would not be possible to consider any school choice applicants at this time.

## 7) Continued Business –

- a. **Stabilization Fund Appropriation for Essex Elementary Feasibility Study -Vote to approve.** The district has entered the Feasibility Study phase of the Essex Elementary School project and must now authorize a contract for OPM Services with the firm of Dore + Whittier in the coming weeks. Once a contract is in place, the district will require feasibility funding in order to meet its obligations. The total cost of the contract will be \$1,500,000, and the district’s share of this contract is \$500,000 with the remainder funded by the member towns. The funding of the district’s share of this contract has been

determined to come from the district's stabilization fund. The current balance of the stabilization fund is \$1,503,756. This balance is prior to this appropriation of funds.

*Mr. Reed moved that the School Committee appropriate and transfer the amount of \$500,000 representing the district's share of the Essex Elementary School Feasibility Study.*

*Mr. Foster seconded the motion.*

*The motion passed unanimously.*

- b. **FY26 Budget Workshop** – all budget documents are available on the district website under finances.
  - i. **Budget Update and Status Report** – Superintendent Beaudoin reported that the new healthcare increase quote is 25.45%. This equates to a reduction of approximately \$60K. The budget packet has also been updated to include estimates of the impact to town households for each budget iteration. Additional income from school choice students has been removed from the budget. Assessments to the town include apportionment, highlighting the impact to each town based on the apportionment formula specified by the regionalization agreement. This is the number used by each town's boards.

Superintendent Beaudoin reviewed the four budget scenarios, spanning from the “actual” budget that reflects actual expenses (with no reserve use and a reset via a correction) to the “3.5%” budget that reflects the growth range the district has historically striven to deliver, utilizing all reserves possible. The presented budget document grays out both of these options. Superintendent Beaudoin explained that these budgets do not do a good job of managing risk or account for the timeline. Superintendent Beaudoin said that she is striving to manage potential outcomes and the possible devastation to the district.

The all-in budget, accounting for the healthcare spike and contractual obligations, yields a funding gap of approximately \$2.9M. The district would have to create a contingency budget plan in the event that the anticipated override failed. Superintendent Beaudoin said that the district lacks the resources to backstop that \$2.9M risk. The superintendent noted that the town partners have been using the February 4 budget as a working model in their planning, and they are currently preparing their budget presentations for town warrants. This would heighten the impact to the towns of pursuing an all-in budget. Superintendent Beaudoin said that if the district wishes to pursue this kind of budget it would need more time to prepare and get all stakeholders onboard.

At the other end of the budget proposal range, the 3.5% budget would utilize all available reserves and pass very little on to the towns. In this scenario, Essex would still require an override amount of about \$450K to fund the district budget equaling an average household cost of \$280. The district's contingency plan would equal \$917K in cuts. The superintendent said that the problem with this budget is that the district has barely enough to meet this budget on its own, and the district would then have no reserves to address possible federal aid reductions resulting from the new administration. It also leads to an even larger ask next year.

In between these poles are the "modified, carry forward/level services" and the "proposed budget" originally presented on February 4, 2025. These budgets impact the towns similarly. The proposed budget is where the district started and includes elimination of two administrative positions, \$500K in E&D, \$150K OPEB offset, and \$500K from school choice. This budget reallocates two high school positions to fund grade six language and address class size concerns at Memorial Elementary.

The modified, carry-forward budget retains the middle school principal, eliminates the facilities manager, and reallocates the two teaching positions. It increases reserve use to \$600K. The middle school principal would be an interim position. Superintendent Beaudoin said that it is very late to start a search for a new principal, and the pool of candidates is slim. It is likely that the position cannot be addressed until August. However, this budget would preserve the middle school principal position in the budget. Superintendent Beaudoin said that she believes the district could build a solid model of a combined middle/high school position. The superintendent said that, while the position remains on the table for now, it will likely be the first cut made if the override fails. Superintendent Beaudoin stressed that the district administration needs direction about the direction of the budget. If the district needs to reach a certain target number, the ideal model for the middle school may not be attainable. Mr. Binieris asked if the superintendent had someone in mind internally to fill the interim position. Superintendent Beaudoin said that the district could hire a retired principal for a year. The superintendent said that if the budget is resolved quickly, the district would have more time for a search for this interim principal and could search for someone with K-8 or middle/high school principal experience in order to take advantage of their insight. Although the superintendent believes that the district can execute the combined middle/high school principal model, she said that if money were not an issue the district would retain the middle school principal.

- ii. Discussion – Mr. Reed opened the floor to the School Committee to discuss the budget options. Superintendent Beaudoin added two additional considerations. No budget scenario eliminates the potential for an override next year. The district anticipates 5-7% growth given the likelihood of a healthcare increase in the range of 15%. The contingency plan for \$2.077M shortfall, should either of the two recommended budgets fail at the town level, will require the elimination of 21-27 positions from teaching staff, teacher’s aids, and administrative assistance. Superintendent Beaudoin said that she plans to bring the SC a breakdown of the district’s high-level work on the reduction plan on April 1, 2025. The superintendent said that the district is also examining other areas for cost-cutting that could reduce the number of staff cuts.
- iii. Adoption of the FY26 Operational Budget

*Ms. Spencer moved to support the Modified, Carry-Forward/Level-Services budget in the amount of \$32,682,198.*

*Ms. Whitman seconded the motion.*

Discussion:

Mr. Binieris said that he supports this budget but strongly encouraged preservation of the facilities manager role. Things like vandalism happen. Mr. Binieris said that maintenance issues tend to get worse when they sit, and he believes the loss of this position will cost the district in the long run. Mr. Binieris stated that, in his experience, having a facilities manager means that issues are addressed quickly, facilities remain obviously well-cared for, and it is easier to gain buy-in from those in the building to support the upkeep of the building.

Ms. Whitman said she is in favor of this proposal. Ms. Whitman said that she received community input that she must be able to explain her support for the budget that is voted in. Although Ms. Whitman spoke previously for the all-in budget, with no reserve use, new information has swayed her opinion. Ms. Whitman emphasized, however, that she does not believe this budget aligns with the district’s strategic plan. Ms. Whitman does not agree with the reduction of the facilities manager because it is not wise stewardship of the district’s assets. Ms. Whitman does not support the reduction in the OPEB contribution and believes that the district would be in a better position for contract negotiations by maintaining OPEB contribution obligations. Negotiations will be important given the healthcare landscape. Ms. Whitman is not in favor of pausing school choice at the request of the Town of Essex, but she acknowledged that staffing is currently too precarious to proceed. Ms. Whitman stated that the middle school principal should be funded through the assessment and not through additional use of reserves. Ms. Whitman said that she found it compelling that the Manchester finance committee requested that their assessment come in at 7.29%, given the timing with their own budget work. Ms. Whitman noted that the School Committee has acquiesced to requests from Essex for the last five years. Ms. Whitman stated that her support for this budget but emphasized that next year she will advocate for the School Committee to commit to a full budget, with no reserve use. Ms.

Whitman said that she does not want to be accused of kicking the can down the road and is committed to this course for next year. Ms. Whitman said that she supports the request for additional healthcare savings to be returned to the towns. Ms. Whitman stated that she is mindful of the perspective of residents like Ms. Vandi who are concerned about affordability and said she also heard the resident who previously said that the students need what this district is currently offering. She said that students from Essex need what this district is currently providing. Ms. Whitman said that she is concerned that, should the Town of Essex not look at things differently, the budget crisis will jeopardize the Essex Elementary building project. Ms. Whitman characterized this budget as a compromise. Ms. Whitman thanked the superintendent for her continual work on the budget.

Ms. Spencer said that the two budgets under consideration have the same bottom line and explained her reasoning for supporting the modified carry-forward/level-services budget. Ms. Spencer noted that the superintendent originally presented this budget as “proposed” because she could not give it her recommendation, words that stuck with Ms. Spencer. Ms. Spencer said that she does not believe that the announced principal retirement should drive elimination of the position. Ms. Spencer said that embarking on a path of a combined principal at the middle/high school warrants further consideration. An interim position provides this time. Ms. Spencer noted that the district has cut fifteen positions in five years. Ms. Spencer emphasized that it is not enough for the School Committee members to vote in support of this budget. A lot of work lies ahead to garner support. Ms. Spencer reminded members that an override failed two years ago. The current override will require mobilization and residents willing to bring energy to get out the vote. Should the vote fail, the district is looking at the elimination of 21-27 positions and a fundamentally different school district. However, this budget does not overcome the district’s challenges. Ms. Spencer said that, going forward, the SC must keep in mind that, having just implemented a reserve policy the district is already in violation of that policy. Continuing on this course is bad fiscal management and makes problems worse for the community. If the goal is to remove reserve use next year, that will require a correction. Ms. Spencer urged members to consider what that would mean beyond reserve use. Ms. Spencer asked if it would mean adding back librarians or the world language program at the elementary level and advocated for a clear picture of what the School Committee will be working toward next year. Ms. Spencer concluded by saying that the School Committee needs to expand engagement and cited the need to address the continued false narrative that the school budget growth persists despite falling enrollment. Ms. Spencer said this narrative derails the budget process. The School Committee has addressed this issue in numerous public meetings, but the narrative remains and requires ongoing outreach to the community to explain the impact of inflation and the change in the composition of the student body which requires increased services. Ms. Spencer emphasized that schools do not run at 2.5%, and most communities recognize this and plan around it. Mathematically, the district cannot remain under 2.5% with contractual obligations and inflation, let alone spikes in healthcare costs. Ms. Spencer credited teachers as the core of what makes the schools great and pointed out that there is a national shortage of teachers. Teachers in surrounding districts have recently been on strike. Next year, Ms. Spencer said that the district will face two financial challenges. Within twelve months, voters in both communities will be asked to support the capital project for Essex Elementary School and a correction for the district operating budget. Ms. Spencer said that the two towns will need to figure out how to garner support for both goals. Ms. Spencer acknowledged that choices regarding the schools impact other town services and pointed out that most constituents do not attend meetings or have kids in the system. However,

the schools matter to the greater community. Ms. Spencer said that being the type of community to which young families want to move matters. It supports the local economy and housing values. In addition, the district's Vision of the Graduate is important to the greater community. Ms. Spencer said it is more important than ever to strive to raise young adults who are intellectually curious and critical thinkers, particularly in the age of AI, social media, and political turmoil. Ms. Spencer concluded by stating that supporting the schools is the one thing that voters get to choose. However, the seven SC members cannot wage the campaign alone and will need community involvement and engagement.

Mr. Foster said that he tries to approach the budget pragmatically and that compromise in this type of situation is important. Mr. Foster said that it is sometimes in the best interests of students to compromise rather than create upheaval during the process. Mr. Foster said that the district has been in a continual belt-tightening trajectory for the last five years and said that there may be additional cuts from the federal government. Mr. Foster stated that the SC must work to think through alternatives and expressed his appreciation for making the middle principal an interim position to allow time to think through changing the model, rather than being forced into the cut. Similarly, the district is continuing its exploration of schedule alignment. Mr. Foster said that he is concerned that the proposed budget includes \$600K from reserves. It will make next year's budget harder. However, Mr. Foster said that it is the basis of a strategy of getting the district out of the hole in which it finds itself. Mr. Foster stated that he could not commit to a certain strategy next year and emphasized that the SC must give itself the room to work with both towns on what the strategy will be to move forward rather than dictate it. Mr. Foster shared the perspective of the town administrators that, regardless of the payment mechanism, the cost hits taxpayers one way or another. Advocacy for this year and next must be about both towns. Mr. Foster said that he appreciates the return of some form of collaboration between the district and the town stakeholders and said that it is critical that the three entities address the problem together.

Ms. Mitchell said that each of the four budget scenarios addresses the levers of reserve use, school choice, OPEB contributions, and administrative staff reductions. Ms. Mitchell agreed that the grayed-out scenarios are not viable. Ms. Mitchell expressed support for use of \$600K in reserves to maintain the middle school principal role. Regarding school choice, Ms. Mitchell stated that choice adds to the diversity of the district but said that she understands that spots cannot be promised before the budget is confirmed. Ms. Mitchell hopes to revisit this. Ms. Mitchell shared that the district's expert determined that the \$150K deferment will not impact the long-term plan to fund the OPEB obligation. Ms. Mitchell said that she supports the modified, carry forward budget and noted that she has seen progress in the School Committee's work with the towns over the last three years and recommended faith in the process.

Ms. Koch-Sundquist expressed her support for the budget scenario under consideration with some reservations. Ms. Koch-Sundquist said that she is dubious about reserve use of \$600K and that it brings the fund down closer to 6%. Ms. Koch-Sundquist stated that she wants to be clear that the district should honor its reserve policy in the future, and this would mean that next year a larger portion would need to come from the towns. Ms. Koch-Sundquist emphasized that the schools are not extravagant. Ms. Koch-Sundquist said that the Town of Essex has capacity within 21 separate reserve funds, including a school district apportionment stabilization fund, and questioned how it would be perceived if the district put money in many separate reserve funds while saying that it was unavailable to pay for things like health insurance. Ms. Koch-Sundquist

said that the money is there but is more difficult to spend because Essex has funneled it into accounts that require a two-thirds vote. Ms. Koch-Sundquist stated that the Town of Essex could show support for the schools by timing a major school budget override to coincide with the approval of the Essex building project. They could delay the override vote this year through the use of town reserves. Ms. Koch-Sundquist said that the override is inevitable because the schools cannot grow at zero percent, but the Town of Essex can choose the timing of the override by utilizing their reserves. This strategy would be ideal if they believe that an override will pass when bundled with the EES vote. Ms. Koch-Sundquist asked listening town leaders and residents for an alternative and said that she is fearful that the resulting service cuts necessitated by a 2.5% growth budget, as requested by the Essex Finance Committee, would not pass in Manchester, pushing the district to a super town meeting. Ms. Koch-Sundquist said that would result in Essex having to pay or to consider leaving the district with no capital assets - tuitioning Essex students out to neighboring towns where the Town of Essex would have no say in their budget growth. Ms. Koch-Sundquist reiterated that no districts are growing at 2.5%. Turning to the budget under consideration, Ms. Koch-Sundquist said that she thinks it is crazy to eliminate the middle school principal, pointing out that the current middle school students experienced COVID during kindergarten, first, and second grade. They had three different principals while at Essex Elementary. Ms. Koch-Sundquist emphasized that class size does not equal student need. These students need stability. An interim principal will allow time to assess their needs and would facilitate a mindful, purposeful transition to another model if the district determines that is the best course. Ms. Koch-Sundquist said this is preferable to making cuts at the expense of students. Ms. Koch-Sundquist stated that school choice students enrich the schools while offsetting the assessment to towns and asked for a date at which the district will reexamine the status of the program for next year. Ms. Koch-Sundquist said that the School Committee should be clear about how funds from additional school choice students will be utilized, if the district is able to accept more students, and advocated for returning money to the reserve fund.

Mr. Reed lent his support to the budget under consideration but said that it does not correct the underlying problem. Reserve use has almost doubled from last year. He said this ask is not a correction at all and is a large compromise. Ms. Reed said that the district and school committee have been working toward a correction since before he joined the School Committee, primarily driven by inflation. Mr. Reed said that a serious conversation needs to occur regarding what an actual correction should look like. He said there is no more give after this year and that everyone needs to understand the implication of potential cuts. Mr. Reed said that the district needs to move in a different direction and this budget does not do so, but it does preserve some things that are important. Mr. Reed emphasized that he considers the needs of all stakeholders and works to bring common sense and critical thinking to the process. These tools do not apply to the current budget. Mr. Reed said that this budget is a big compromise and that community support will be necessary to move in the right direction.

Ms. Whitman said that there is a disconnect between how she processes the budget and how others do. Ms. Whitman stressed that the SC does not ask for a correction. The SC sets the budget, and the towns decide upon the mechanism to pay the bill. Ms. Whitman said that the district has been mindful to not just send the bill to the towns. In a municipality, the town might set the school budget and then the School Committee would have to ask for a correction. As the SC looks to move forward with its town partners, Ms. Whitman reminded members that previously there was a long-term, effective collaboration group. Those private meetings became



ineffective, and the School Committee advocated for public meetings. Since then, public meetings have been well-received, and Ms. Whitman expressed the hope that they can again be a successful vehicle for the three entities to find solutions. Ms. Whitman asked that the town partners bring strategies to the table other than the plan to single out all district growth above 2.5% for the override. Ms. Whitman was heartened by all the residents making public statements and attending meetings to learn more about town finances. Now that there is a more public-facing, transparent mechanism for working together, Ms. Whitman said that there is hope for future problem solving.

Ms. Koch-Sundquist stated that she is mindful of the many increases to Essex residents. Ms. Koch-Sundquist said that the impact will look different to every household. A modest home without improvements would not experience as much growth in tax. Ms. Koch-Sundquist said that a more accurate estimate of household impact would be the median amount to taxpayers because it would not be skewed by homes valued at \$10M. Ms. Koch-Sundquist quoted Mr. Schlegel for pointing this out and said that the median estimate should be presented to residents. Ms. Koch-Sundquist reiterated that she fears Essex will be in a dire situation if this does not pass, particularly when anticipating the EES building vote.

*The vote passed unanimously.*

- iv. Adoption of the FY26 Capital Budget - Ms. Cresta explained that the capital budget is comprised of debt borrowings. The total has gone down by \$5,000. The revised total is \$3,963,063 for FY26.

*Mr. Reed moved to pass the FY26 Capital budget in the amount of \$3,963,063.*

*Ms. Spencer seconded the motion.*

*The vote passed unanimously.*

- 8) **School Committee Comment** – Superintendent Beaudoin followed up on a couple points raised during discussion. The superintendent said that on April 1 she intends to present the School Committee with a full reduction list. The district needs to start conversations with those who might be affected by cuts should the override fail. This is one step in a multi-step process to fix the deficit. However, there are no guarantees yet. The budgets will need to pass at the town meetings. Then, depending on how they are structured, the budget may need to proceed to ballot vote. The district will not have clarity on whether it has a passed budget until May 13, 2025. If Manchester changed course and had to put the budget on the ballot, the date would go out to May 21, 2025. Superintendent Beaudoin said that would be too late to wait, so she will present the list on April 1. At the School Committee meeting on May 20, 2025, the issue of school choice can be revisited if the budget has passed. Superintendent Beaudoin suggested that the SC could choose to use any realized school choice income to replenish reserves or to maintain the facilities manager position. The School Committee should make clear that it intends to use these funds to support the district. Ms. Whitman asked if the SC should, since the towns requested the return of any healthcare savings

directly, codify that in a motion. Ms. Whitman asked if use of additional school choice revenue should also be established via a motion.

*Ms. Whitman moved for the School Committee to commit additional healthcare savings for the FY26 budget to reduce the overall budget.*

*Ms. Koch-Sundquist seconded the motion.*

Discussion: Mr. Reed asked for insight into the benefit of this motion. Ms. Whitman stated that last year there was late-breaking savings in healthcare. The district used these funds to support the library position. This would clarify that any such savings this year would go to reducing the budget and not returning something that had been cut. The superintendent said that if the district receives another point off its rate, it will reduce the budget by \$60K. Mr. Reed asked if this would add to the deficit next year. Ms. Whitman said that it is reasonable because of the historic volatility of healthcare costs. Ms. Koch-Sundquist said that this is why she would also like to specify that additional school choice revenue will return to reserves.

*The vote passed 6-1. Mr. Reed voted no.*

*Ms. Koch-Sundquist moved for the School Committee to reserve the right to determine how additional FY26 school choice funds are used.*

*Ms. Spencer seconded the motion.*

Discussion: Superintendent Beaudoin noted that additional school choice funds could be applied toward the budget, transferred to the reserve fund, or used to offset lost Title I or IDEA funds from the federal government. Mr. Foster said that this motion does not succeed in sending a clear message to the towns about the SC's intent regarding these funds because it just allows the SC to use it as it pleases. Ms. Koch-Sundquist said that the intent is to make clear that it will not be used to reduce the total budget. Ms. Spencer said that the motion as stated would still allow that option. Ms. Koch-Sundquist said that it was important to clarify that they should not look for school choice funds to reduce the budget because last year the School Committee was criticized for using healthcare savings to reinstate a cut position. Mr. Foster said that his preference would be to commit additional income to the reserves. Ms. Whitman said that there is an argument to be made for other uses, and she prefers flexibility. Ms. Spencer said that the motion could be amended to clarify that it does not go to the towns. Ms. Koch-Sundquist said that she also is in favor of any choice funds going to the reserves but advocated for flexibility given the uncertainty of federal funding. Ms. Cresta said that it would be an amendment of the budget to use less E&D but would not change the bottom line to the towns. Superintendent Beaudoin said that school choice funds must flow into the school choice fund and then could be applied as an offset. It would be an indirect route, but could go to reserves. Mr. Foster said he was comfortable passing the motion as is. Superintendent Beaudoin said that it is hard to know how the School Committee will wish to utilize the funds at that time and advocated for the flexibility of leaving the decision to the School Committee.

*Mr. Foster moved the motion.*

*Mr. Binieris seconded the motion.*

*The motion passed unanimously.*

*The vote on the motion passed 6-0. Ms. Spencer abstained.*

Mr. Foster extended kudos for the work of the PD team for the recent professional development day, complimenting Mr. Bilsbury's work to facilitate the student panel. Mr. Foster also took the opportunity to reflect on the recent loss of Mr. Ken Warnock who served on the School Committee. Mr. Foster expressed appreciation for Mr. Warnock's level-headed calmness and said that he always thought of the two towns as one.

Mr. Reed thanked everyone for their work during the challenging budget season.

### **C. Adjourn**

*Ms. Spencer moved to adjourn the School Committee business meeting.*

*Ms. Whitman seconded the motion.*

*The motion passed unanimously.*

*Meeting Adjourned at 8:29 pm*

### **School Committee Future Meetings**

- April 1, 2025
- May 5, 2025    Monday
- May 20, 2025
- June 3, 2025