



SCHOOL COMMITTEE

BUSINESS MEETING OPEN SESSION MINUTES June 18, 2019

Meeting:	School Committee
Date:	June 18, 2019
Location:	MERMHS Library
Attendees:	Pamela Beaudoin, Superintendent Avi Urbas, Director of Finance Shannon Erdmann, Chairperson Rachel Fitzgibbon, Co-Chairperson Ann Cameron Caroline Weld Ken Warnock Eric Bourke
Absent:	Sarah Wolf
Guests:	Dr. Julie Riley, Director of Curriculum and Instructional Technology, Dr. Allison Collins, Director of Student Services, Powers & Sullivan, LLC, CPA's Frank Serreti and Elizabeth Stevens
Recorded by:	Gail Hunter

A. Call to Order – Ms. Erdmann called the School Committee Business meeting to order at 6:08 p.m.

- 1) **Public Comment** – There was no public comment this evening.
- 2) **Student Report** – NA
- 3) **Chairman's Report** – Ms. Erdmann had no specific items to review with the Committee this evening.

4) Consent Agenda –

- Acceptance of Warrants
- Minutes 6/4/2019
- Budget Transfers

Ms. Fitzgibbon moved to accept the Consent Agenda; Ms. Weld seconded the motion. The motion passed unanimously.

5) Sub-Committee Reports

a) Elementary Facilities/MSBC (Ms. Weld and Ms. Cameron)

- Memorial School Bus Fee Waiver – Discussion

The bus fee waiver discussion will be taken up and fully discussed on August 6, 2019 as part of the School Committee annual retreat. Additionally, the School Committee will review data collected on late bus trips to Essex for school year 2018 – 2019.

- Memorial School Crossing Guards During Construction – Discussion

Initial discussion regarding Memorial School Crossing Guards highlighted the possibility of parent volunteers and tie into the Tax Credit Program for Seniors with the Town of Manchester.

Groundbreaking ceremony with Representative Tarr, MSBA Representative and Representatives of the Towns. It was the beginning of a much anticipated and hard worked for new Memorial School.

Phase 1 abatement and demolition has begun. Neighborhood concerns about air quality during demolition are being addressed; dust mitigation is controlled with steady watering of the site during demolition. Demolition is a slow and steady process using excavators to move parts of the building as it is brought down.

b) Finance Sub-Committee (Ms. Cameron and Ms. Erdmann) No Report

c) Policy Committee (Ms. Fitzgibbon and Mr. Warnock) – No Report

d) Negotiation Team (Ms. Wolf) The Negotiation Team – No Report

6) Continued Business

- Annual Auditor's Report

Mr. Serreti stated the District complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB) and reviewed the District's Government-wide Financial Analysis and outlined the 2018-year end report:

- MERSD liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$6.6M at the close of 2018.
- Net position of \$21.5M reflects the District's net investment in capital assets.
- Restricted net position of \$199K represents the unexpended balances of state and federal grants and gifts.
- The remaining balance of unrestricted net position reports a deficit balance totaling \$28.3M that is due to the recognition of a \$23.3M net OPEB liability and a \$6.4M net pension liability.
- Total revenue increased by \$1.4M (4%) from 2017. This was due to \$213K increase in the MA Teacher's Retirement System on-behalf payments and a \$1.1M increase in member town assessments.
- Total expenses increased by \$970K during the year, primarily due to the change in net OPEB liability.
- The District contributed \$467K to OPEB in 2018. The balance in this fund at the close of 2018 was \$1.4M.
- As of the end of the current year, government funds reported a combined ending fund balance of \$4M, a decrease of \$127K from the prior year.
- The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$1.5M while total fund balance was \$1.8M.
- The general fund increased by \$46K in 2018. The increase is primarily because budgeted expenditures were \$204K lower than anticipated and budgeted revenues were \$144K higher than anticipated. These increases were offset by the expenditure of \$152K from the capital stabilization fund for school construction and \$130K decrease in encumbrances.
- The school choice fund account for the activities related to the state's school choice program. At the end of the current year, the fund balance totaled \$1.6M.
- Memorial School construction fund is used to account for expenditures related to the elementary school building project. The District recorded expenditures of \$479K and received assessments from member towns totaling \$450K, resulting in a fund balance of \$134K at year-end.
- The District has \$18.9M in long-term debt outstanding at year-end all of which is related to the Middle High School construction project.
- Major capital events during the current year included \$479K for a feasibility study related to the Memorial School project and \$208K for building improvements.
- Results are consistent, reserves on hand are good and there were generally accepted auditory standards with no deficiencies.

Ms. Cameron asked if the District received an excellent report, she understood clean is equal to excellent. Mr. Serreti indicated the District did excellently in the review.

Mr. Serreti reported on Management Letter Recommendations:

Framework for Assessing and Improving Cybersecurity – Recommended: Management take a pro-active approach and assess the risk exposure to a cyber-attack. Policies and procedures

be developed to mitigate each identified risk to an acceptable level that fits with the organization's determined risk tolerance.

Management Response: MERSD has taken a proactive, ongoing approach to risk management in this area. A cyber liability insurance is in place through MERSD's policy with MIIA. Additionally, the District has increased its investment in threat prevention hardware, software and network settings. This includes back up software that can restore lost data and disaster recovery plans based on multiple sites of data storage. Cyber threat prevention has been and will continue to be an ongoing, routine management process.

Assess Organizational Structure/Roles and Responsibilities – Management Response: Significant training has occurred in this area and responsibilities for many accounting tasks, including posting of Payroll (roughly 2/3 rds. of all expense accounting), has been transitioned to this position.

Mr. Urbas indicated progress has been made in this area and there is plenty of work to be done.

School Lunch Deficit – Management Response: A review of the sources of deficit was presented to the School Committee in the summer of 2018, which relate primarily to migration of fringe benefits from the general fund (when benefits were for District employees) to the revolving fund (now that benefits are for outsourced staff, paid via vendor invoices). Outsourcing food service and negative balance collection procedures have helped to narrow deficits significantly on an annual basis. Consideration of meal price changes will take place in summer of 2019 and would help to narrow the structural deficit further.

Ms. Erdmann indicated the School Committee will come back with pricing recommendations for the School Lunch Program.

Written Job Descriptions – We continue to recommend that the District complete written job descriptions for all Business Office personnel. Management Response: The School Committee Policy Subcommittee has been tasked with reviewing job descriptions for those few remaining positions in the Business Office that do not have one.

Financial Policies and Procedures – We continue to recommend that the District document and adopt financial policies and procedures. Once adopted, the policies and procedures should be updated for any changes that are put into effect. Management Response: This topic is handled through routine updates of the School Committee Finance subcommittee, but written policies and procedures have not been adopted.

Documentation of Internal Controls Over Federal Awards – We recommend that management follow the best practices for establishing and documenting their internal control system using the COSO Internal Control Framework. Management Response: Documentation of management procedures is a best practice that is beneficial, but time consuming. Although many procedures are documented, additional work is needed and will occur as time permits.

- EOY District Improvement Plan Update

District Plan

- Mission, Vision and Core Values of Strategic Plan provide the structure (5-year)
- Seeks to provide District road map (3-year)
- Informs development of school and educator plans (2-year)
- Living Document

Federal & State Mandates Current Issues Impacting Local Work

- Implementation of new accountability system
- Coordinated Program Review – Special Education, English Language Learners, Civil Rights, Educational Stability
- Alignment to new MA Frameworks – ELA/Math/Science/Digital Learning
- NEASC Accreditation
- Coming Up – Commissioner & DESE Direction (Pending)

Intersection of Internal & External Influences *Teaching All Learners*

- Update MA Frameworks
- District Improvement Plan
- Social Emotional Learning
- Assessments MCAS 2.0

EOY Overarching Themes/Takeaways

- Large Scale Projects Consumed Great Deal of Time – Building Project (II), Negotiations
- Compliance (II)
- Challenge of Change: Transformative/Adaptive
- Financial Constraints (II) – Staffing & Support
- Sustainable Practices & Systems & Structures

Superintendent Beaudoin indicated both the Building Project and Negotiations took a significant amount of her time during the year, as a result she was less available. She is concerned about the long-term impact of financial constraints on staffing; the District has relied on retirements to meet budget goals.

Dr. Riley stated discussions around compliance issues had occurred during negotiations with the hope of developing committees to work with content issues and move the District to where it needs to be in MA Frameworks. It is challenging for staff to manage, deliver and find additional time for committees. The additional work results in working long days.

Dr. Collins indicated there were additional compliance issues crafting new policies around Foster Families, Military Families and Homeless Families. She stated special ed review went well and the District was in full compliance. The District is working on HS program evaluation

requirements with the DOE. In the Middle School focus is helping students with disabilities to remain in general ed classes with content specialists following students for 3 years to help students meet their goals.

Superintendent Beaudoin stated it is a challenge to manage and lead around rethinking long held practices. Asking teachers to go the extra mile in the face of change presents leadership challenges for Administration.

District Improvement Plan Progress Report Areas of Focus FY 19

- Social Emotional Health of our Students – Year 2 Implementation of RULER, Bridge & Transitions Program
- Curriculum Alignment – K-8 Literacy, Elementary Program Alignment to Support Middle School Transition, STEM Scopes Year 1 – Middle School, Seal of Biliteracy – High School

Dr. Riley stated the K-8 Literacy Plan will take 3-5-years to fully implement. It is a long conversation with meetings starting on Thursday. STEM Scopes is in year-one and was implemented in the MS with all new materials.

Seal of Biliteracy is awarded to graduating seniors who meet the state level. This past graduation 16 students met the standard and qualified for the Seal on their diplomas.

- Implementation of FY 18 Review Recommendations
 - MS Special Education Restructure
 - MS Consultation Model Implementation
 - Memorial Restructure to Support Reduction of Pull-Out
 - HS Admin Restructure
 - Migration of Accounting/Financial Procedures to Support Personnel

Dr. Collins stated the MS consultation model with teacher assistant teams working with Special Ed and School Adjustment Counselor was broadened to effectively consult and meet the needs of students. In FY 17 at the elementary level the focus was keeping students in the classroom instead of pulling students out with co-teaching. The new literacy piece will help the District accomplish more in Tier-I.

- Continual Improvement: Program Review & Assessment
 - K-8 Literacy Assessment
 - High School Special Education Program Review
 - NEASC
 - Compliance: Coordinated Program Review, DESE Food Service Review Administrative/Procurement, Title I/Title II Audits

- Memorial Building Project: Feasibility – On Time Under Budget, Daily Operational Management, Preparation of Argument/Materials for two-town campaign, Community Outreach
- Negotiations – Interest Based Bargaining, Transitioning Health Care to more sustainable pathway, 2.5% COLA Duration of the Contract
- Facilities Planning –
 - Memorial Bonded \$35M – achieved \$17M in Savings over life of bonds
 - Essex: Phase 2 Partnership with Town of Essex -- \$180K Grant Funded Improvements (\$395K to date)
 - Middle High: Multi-Year Plan for Estimated \$10M Asset Replacement

Superintendent Beaudoin stated the Memorial Building Project realized all goals.

- Systems & Structures Sustainable Practices
 - Financial Forecasting
 - Accounting
 - Human Resources
 - Free and Reduced Lunch
 - Reorganization of PDC & Curriculum Leader Roles/Responsibilities/Feedback Loops
 - Materials Adoption

District Improvement Plan Progress Report Areas of Focus FY 20

- System of School to School System – System & Structure /Sustainable Practices, Integration of systems and cultures
- Solidifying the Base of Tier-I Instruction
- Increasing Budget Constraints – Bandwidth: Teachers and Support Staff, Sustainability of Programming, Job Description Review and Assessment, Create New Opportunities for Efficiencies for Reinvestment
- Ongoing Focus – Social Emotional Health for our Students and Families, Memorial School Project, Facilities Planning, Wellness Committee
 - FY 19 OPEB Approval

Ms. Cameron asked if the District was maintaining the OPEB schedule originally mapped out and if the District is comfortable with the conscious decision previously agreed to.

Superintendent Beaudoin indicated OPEB funding is an accomplishment the District is proud to have achieved and questioned the need to support growth in programming.

Ms. Erdmann indicated the Committee will start discussion budget and how to fund long term obligations in budget planning and discussions.

Mr. Urbas requested the Committee approve \$498,605.00 contribution to OPEB Trust Fund. The fund includes META and Non-META obligation to cover health insurance post-employment. Between FY16 – FY19 the Fund has grown to \$1.8M invested in PRIM.

Ms. Erdmann moved to invest \$498,605.00 into OPEB Trust Fund, Mr. Warnock seconded the motion. The motion passed unanimously.

- Summer Meeting Schedule

7) Superintendent's Report – with EOY District Improvement Plan Update

8) School Committee Comment – There was no additional School Committee comment.

B. Adjourn

Ms. Cameron moved to adjourn the meeting; Ms. Weld seconded the motion. The motion passed unanimously.

School Committee Future Meetings:

- School Committee will not meet in July 2019
- Retreat is scheduled for August 6, 2019
- First Business Meeting of 2019-2020 is scheduled for August 20, 2019
- School Committee Meeting agendas will focus on School oriented teacher driven presentation: focusing on Diversity, Technology and Curriculum
- Additional area for 2019-2020 School Committee meetings will be budget. focusing on program cuts and reorganization
- ELA Task Force Presentation will take place during the School Committee summer retreat
- School Building questions and school building fatigue when construction is no longer new and becomes a distraction will be discussed throughout 2019 – 2020