

From: Abby Jeffers (HTS) <abby.jeffers@hilltopsecurities.com>
Sent: Tuesday, April 11, 2023 1:19 PM
To: Avi Urbas <UrbasA@mersd.org>
Cc: Cinder McNerney (HTS) <cinder.mcnerney@hilltopsecurities.com>
Subject: Manchester Essex RE: Question from Finance Committee

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Hi Avi. Sorry for not answering this question sooner, but it's more complicated than a simple guess on the basis point differential of a downgrade, and subjective relative to how it might hurt the value of property in either town if the District's rating were dropped and/or the perception was that the financial strength of the District was weakened. We would not encourage paying for a capital project with cash, short of if the District had ample cash and that replenishing the reserve position in the following year could be accomplished. The District's reserve position we don't believe, is strong enough to consider drawing it down for a capital asset. Perhaps debt of some shorter period of time...say 5 years or 10 years....to pay for the asset should be considered and might better allow the District to possibly maintain the strength of the credit while it also accelerated payment for the field. School Districts generally have less financial strength because of their limited revenue base, so undermining the reserve position is generally viewed negatively, and stated as one of the primary drivers in the attached credit report of what could result in a downgrade. That the District would choose to do this, without a reserve policy in place and without a plan to replenish the amount drawn, sends mixed messages. It's likely the District would borrow debt at a rate under what it could invest its reserves in otherwise, so it's not clear why that choice would be made when funding the asset over some years to protect those reserves is an option.

According to the District's latest credit report dated July 2021 (attached), S&P assigned a stable outlook to the rating as it viewed management took a proactive approach in managing the increasing debt service and retirement liability costs as percentage of the budget while collaborating with the member communities to ensure ongoing budgetary stability and maintenance of reserves consistent with levels of the past few years. The report mentions a "Downside Scenario" in which should the district experience operating challenges leading to a deterioration in reserves, or if operating expenditure growth outpaces reserve growth, leading to a decline in reserves the percentage of expenditures, S&P could take a negative rating action. The purpose of the reserve and the rating assigned to the credit reflects the flexibility the District has to weather any storm associated with budget surprises, inflation, and an uncertain economic environment. As already stated, if the District had excess reserves, then paying cash for some capital, can be a good part of a capital financing plan.

The District can carry only about 5% of unreserved and undesignated general fund reserves and any amount in excess is used to reduce town assessment in the next fiscal year. The District has other reserves such as the school choice fund which provides additional flexibility. These reserves, as of July 2021, have been stable at about \$1.5 million or 4% of general fund expenditures for many years.

The District has continuously adjusted for the rising special education costs. How does this increase, and the use of such reserves, fit into the District's 5yr revenue and expenditure model? The District does not have a formalized reserve or liquidity policy but generally has maintained overall reserves in excess of the state's 5% limitation for unreserved and undesignated general fund balance.

Here's a quick summary of the District's reserves over the last few years, and some questions that should be understood before making a decision about using reserves to pay directly for capital, especially of this magnitude:

- Unassigned general fund balance has decreased from \$1.9 million in 2019 to an estimated \$1.34 million for 2022? Is the \$1.34 million a conservative estimate?
- School choice cash balance has remained around \$1.5 million. What's the estimated balance at 6/30/23? Will there be another decline?
- Stabilization fund was \$552,000 in FY21 and decreased to \$388,000 for fiscal 2022. What's the estimated balance at 6/30/23? Will there be another decline?
- Annual budgets: The district has used between \$335,000 to \$500,000 from the reserve fund since fiscal 2020. Is there a plan for the District to reduce the use of these reserves to balance future budgets?

The use of District reserves would not necessarily result in a rating downgrade. However, it could if the use of any reserves drops the reserve balance below what's stated in the last report and without a plan for quick replenishment from near future operations.

Please let us know if you have any questions, or want to discuss further.

Thanks,
Abby

Abby Jeffers

Hilltop Securities Inc.

Senior Vice President | Investment Banker

54 Canal Street, Suite 320 | Boston, MA 02114

direct: 617.619.4404 | work mobile: 321.788.6464

abby.jeffers@hilltopsecurities.com | HilltopSecurities.com

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Summary:

Manchester Essex Regional School District, Massachusetts; General Obligation

Primary Credit Analyst:

Christian Richards, Washington D.C. + 1 (617) 530 8325; christian.richards@spglobal.com

Secondary Contact:

Felix Winnekens, New York + 1 (212) 438 0313; felix.winnekens@spglobal.com

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Manchester Essex Regional School District, Massachusetts; General Obligation

Credit Profile

US\$3.5 mil GO sch bnds ser 2021 due 08/01/2041

Long Term Rating

AA+/Stable

New

Manchester Essex Regional School District GO sch proj loan chapter 70B bnds

Long Term Rating

AA+/Stable

Affirmed

Rating Action

S&P Global Ratings assigned its 'AA+' long-term rating to Manchester Essex Regional School District, Mass.' \$3.5 million general obligation (GO) school bonds. At the same time, we affirmed our 'AA+' long-term rating on the district's GO debt outstanding. The outlook is stable.

The bonds are a GO of the district, payable from district sources, including, but not limited to, sums annually apportioned to member communities, in accordance with the district agreement. The district consists of the member towns Manchester-By-the-Sea and Essex. Member towns have the power to levy ad valorem taxes on all the property within their respective territorial limits subject to the limitations of Massachusetts Proposition 2-1/2. The electorates in each community voted to exclude payments for this issuance from Proposition 2-1/2 levy limitations, so we view this issuance as an unlimited-tax GO pledge. The district agreement provides that no amendment will be made that substantially impairs the rights of the holders of any bonds or notes or other evidences of debt of the district then outstanding, or the rights of the district to procure the means for payment thereof, provided that nothing in this section prevents the admission of a new town or towns to the district and the reapportionment accordingly of capital costs of the district represented by bonds or notes of the district then outstanding and of interest thereon. Proceeds from these bonds will fund an elementary school construction project.

Credit overview

The district's very strong wealth and income factors, along with its stable budgetary performance, support the rating. In our view, the management team has cultivated a strong relationship with the member communities, leading to strong support for the district's annual budget proposals. While debt service and retirement liability costs will likely continue to grow as a percentage of the budget, the stable outlook reflects our view of management's proactive approach to managing these costs while collaborating with the member communities to ensure ongoing budgetary stability and maintenance of reserves consistent with levels of the past few years.

The long-term rating reflects our view of the district's:

- Affluent local economy and high household incomes, reflecting direct access to the broad and diverse Boston metropolitan statistical area (MSA);

- Sizable and very diverse property tax base, with extremely strong per capita market values relative to those of national peers;
- Consistent financial performance leading to maintenance of good available reserves; and
- Moderate debt profile, with minimal additional debt issuance plans in the next several fiscal years outside of this authorization.

Environmental, social, and governance factors

We analyzed the district's environmental, social, and governance (ESG) risks relative to its economy, management, financial measures, and debt and liability profile, and determined that they are in line with our view of the sector standard. Given the district's proximity to the Atlantic Ocean, environmental risks expose its facilities and property tax base to severe weather events and corresponding property damage. However, regional efforts are underway to improve seawalls and other infrastructure to potentially limit the long-term effect of sea-level rise.

Stable Outlook

Downside scenario

Should the district experience operating challenges leading to a deterioration in reserves, or if operating expenditure growth outpaces reserve growth, leading to a decline in reserves as a percentage of expenditures, we could take negative rating action.

Upside scenario

We could consider a positive rating action if the district grows reserves to levels that we consider commensurate with those of 'AAA' rated peers, alongside improved management policies related to financial and capital planning.

Credit Opinion

Stable residential economic base with access to employment bases

Manchester and Essex are both primarily residential communities, with residential properties accounting for more than 90% of the total assessed value (AV). Total AV in both towns increased over the past several years, largely as a result of rising home values. The communities experienced an uptick in home renovations and rebuilds, resulting in new tax base growth. We expect continued growth in both towns' tax bases.

Residents have access to commuter rail service provided by the Massachusetts Bay Transportation Authority and benefit from access to the broader Boston MSA, providing stability. Despite the elevated county-level unemployment rate in 2020, we expect limited pressure on the towns' economic metrics or financial pressure and expect the rate to continue to decline. Overall, we expect the economic profile to remain stable.

Stable, predictable finances with good available reserves and access to additional restricted reserves

Assessments from member towns are the predominant revenue source, accounting for 75% of general fund revenue, while state aid--much of it a pass-through to fund the teacher retirement system--accounts for the majority of remainder. The assessments are guaranteed by the underlying municipality and paid monthly to the district. The

division of the total assessment has been very stable, with Manchester paying 65% and Essex 35% in each of the past five years. Pursuant to a district agreement, costs are divided into three categories: capital, operating, and special operating costs.

We view the district's financial position as stable, with general and operating fund surpluses in each of the past four fiscal years, with approximately balanced operations projected to be reported in the fiscal 2021 audit. The district, by law, can carry only about 5% of unreserved and undesignated general fund reserves. Any amount in excess of this is used to reduce town assessments for the next fiscal year. Other reserves accounted for in the school choice fund provide additional flexibility. These reserves are unencumbered and have been stable at about \$1.5 million (4% of general fund expenditures) for many years. The district's cash as a percentage of expenditures includes bond proceeds and capital expenditures. Given monthly remittances from the member towns, we expect the cash position to remain stable.

The district's 2020 audited operating surplus is the product both of its annual budget development process, which we believe is generally conservative, and savings from school closures due to the pandemic. For fiscal 2021, it budgeted \$335,000 from reserves to offset the potential for an approximately \$360,000 state aid cut. The district ultimately received its full state aid. A significant portion of its pandemic-related costs were offset by approximately \$1.1 million in federal aid, although management is still working through full reconciliation of these items in the current year. Management expects that it could draw down approximately \$100,000-\$300,000 in the 2021 audit.

For the fiscal 2022 budget, the district continues to adjust for rising special education costs, but otherwise did not make significant changes in staffing or programming relative to recent adopted budgets. The 2022 budget totals about \$28.3 million. When town apportionments are determined, capital costs include the cost of constructing school buildings and include debt service on bonds outstanding. These costs are apportioned based on 50% of the proportionate share of the equalized valuation (EV) of the member towns and 50% of the respective populations of each member town calculated against the total. Operating costs are tied to wealth, population, and enrollment factors. About 25% of noninstructional costs are calculated based on the proportionate share of EV of the member towns, and 75% on the proportionate share of the respective populations of each community measured against the total. Similarly, 25% of instructional operating costs are apportioned based on the proportionate share of EV of the member towns, although 75% is based on a proportionate share of the respective enrollments. Finally, special operating costs are apportioned based on the enrollment of pupil hours of residents in certain courses against the total enrollment of pupil hours for those courses. We expect assessments and state aid to remain stable and predictable, with minimal variability in the district's expenditures. We expect finances, including reserves, to remain stable.

Standard financial management conditions and practices, with sound budgetary assumptions

The district was formed in 2000, with its powers and duties vested in and exercised by the Manchester Essex Regional School District Committee. The committee consists of seven members: four from Manchester and three from Essex. The district manages three facilities, two elementary schools, and one middle/high school. Management maintains a collaborative relationship with each member town, providing those communities regular updates on all financial matters, particularly as they undertake budget planning. The district has a five-year revenue and expenditure model included in the annual budget, and we believe management works closely with the member towns to project future budgetary challenges and potential changes in town assessments. The school committee receives monthly updates on

budgetary matters and cash and investment holdings. The district manages its investments in accordance with state law, which does not permit it to hold investments with significant risk.

While it does not have a formal policy, the district undertakes some capital and financial planning to help manage operations. Because it is an infrequent debt issuer, it has no formal debt management policies. However, the district and its member communities have regularly sought approvals to exempt debt from the limitations of Proposition 2-1/2. It also incorporates capital planning into its annual budget process, including updating its debt model annually. The district annually reviews its capital needs, but does not maintain a stand-alone capital plan that outlines projects and funding sources in each of the five upcoming fiscal years. As for reserves and liquidity, the district has no formalized policies or targets but has generally maintained overall reserves in excess of the state's 5% limitation for unreserved and undesignated general fund balances, although on a budgetary basis, it remits reserves to the member towns in the form of assessment reductions.

High overall debt with average amortization, but limited future capital needs

Following this issue, the district will have about \$47.6 million of total direct debt outstanding. Also included in our overall debt calculation is approximately \$26 million of GO debt outstanding issued by Manchester and Essex. The district could issue several million in new-money debt over the next one-to-two years to close out the Manchester Elementary School project, but we do not expect material change in the debt ratios. Beyond that, it may explore renovation or reconstruction of its second elementary school; however, those plans remain preliminary and are likely at least several years away.

Pension and other postemployment benefit (OPEB) liabilities:

- We do not believe retirement liabilities or costs are a source of financial pressure for the district.
- While we believe some of the assumptions used to build the pension actuarially determined contribution (ADC) reflect what we view as weak assumptions and methodologies that increase the risk of unexpected contribution escalations, we expect costs to remain low.
- The district is prefunding its OPEB liability through a dedicated trust fund. Its net OPEB liability is about \$24 million, with a funded ratio of 9.3%.

As of June 30, 2020, the district participated in the following pension plans:

- Essex Regional Contributory Retirement System (ERRS): 56% funded with a \$5.8 million proportionate share of the net pension liability.
- Massachusetts Teachers Retirement System (MTRS): 51% funded with no liability attributed to the district under the special funding situation whereby the commonwealth contributions on behalf of the district.

For ERRS, the retirement system determines the funding schedule and assumptions and the district has no real ability to dictate changes. It is required to contribute the full ADC annually. However, as most district employees eligible for a pension plan participate in MTRS, despite potential contribution volatility, we do not believe pension costs are likely to pressure the district's budget.

The district also provides OPEBs to eligible district retirees, including lifetime health care through its group health

insurance plan. We believe the establishment of the trust is a positive credit factor that illustrates the district's commitment to mitigating substantial growth in those costs by prefunding the liability. While OPEB costs could rise, given the current low pension and OPEB combined cost, we do not expect material retirement liability cost pressure.

Manchester Essex Regional School District, MA -- Key Credit Metrics

	Characterization	Most recent	Historical information		
			2020	2019	2018
Economic indicators					
Population			9,253	9,222	9,145
Median household EBI % of U.S.	Very strong		159	159	161
Per capita EBI % of U.S.	Very strong		192	192	207
Market value (\$000)		3,655,225	3,400,143	3,309,356	3,205,692
Market value per capita (\$)	Extremely strong	395,031	367,464	358,854	350,540
Top 10 taxpayers % of taxable value	Very diverse	5.1	5.5	5.4	5.5
Financial indicators					
Total available reserves (\$000)			2,535	2,153	1,573
Available reserves % of operating expenditures	Good		7.1	6.8	5.0
Total government cash % of governmental fund expenditures			35.1	95.8	11.4
Operating fund result % of expenditures			2.4	1.8	0.1
Financial Management Assessment					
Enrollment		1,261	1,262	1,368	1,386
Debt and long-term liabilities					
Overall net debt % of market value	Low	1.8	1.9	2.2	1.3
Overall net debt per capita (\$)	High	7,961	7,162	7,739	4,432
Debt service % of governmental fund noncapital expenditures	Moderate		11.8	6.1	6.1
Direct debt 10-year amortization (%)	Average	52	51	49	72
Required pension contribution % of governmental fund expenditures			0.8	1.4	1.6
OPEB actual contribution % of governmental fund expenditures			2.8	4.2	4.7
Minimum funding progress, largest pension plan (%)			81.4	78.4	78.1

EBI--Effective buying income. OPEB--Other postemployment benefits.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

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Summary:

Manchester Essex Regional School District, Massachusetts; General Obligation

Primary Credit Analyst:

Christian Richards, Washington D.C. + 1 (617) 530 8325; christian.richards@spglobal.com

Secondary Contact:

Felix Winnekens, New York + 1 (212) 438 0313; felix.winnekens@spglobal.com

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Credit Profile

US\$3.5 mil GO sch bnds ser 2021 due 08/01/2041

Long Term Rating

AA+/Stable

New

Manchester Essex Regional School District GO sch proj loan chapter 70B bnds

Long Term Rating

AA+/Stable

Affirmed

Rating Action

S&P Global Ratings assigned its 'AA+' long-term rating to Manchester Essex Regional School District, Mass.' \$3.5 million general obligation (GO) school bonds. At the same time, we affirmed our 'AA+' long-term rating on the district's GO debt outstanding. The outlook is stable.

The bonds are a GO of the district, payable from district sources, including, but not limited to, sums annually apportioned to member communities, in accordance with the district agreement. The district consists of the member towns Manchester-By-the-Sea and Essex. Member towns have the power to levy ad valorem taxes on all the property within their respective territorial limits subject to the limitations of Massachusetts Proposition 2-1/2. The electorates in each community voted to exclude payments for this issuance from Proposition 2-1/2 levy limitations, so we view this issuance as an unlimited-tax GO pledge. The district agreement provides that no amendment will be made that substantially impairs the rights of the holders of any bonds or notes or other evidences of debt of the district then outstanding, or the rights of the district to procure the means for payment thereof, provided that nothing in this section prevents the admission of a new town or towns to the district and the reapportionment accordingly of capital costs of the district represented by bonds or notes of the district then outstanding and of interest thereon. Proceeds from these bonds will fund an elementary school construction project.

Credit overview

The district's very strong wealth and income factors, along with its stable budgetary performance, support the rating. In our view, the management team has cultivated a strong relationship with the member communities, leading to strong support for the district's annual budget proposals. While debt service and retirement liability costs will likely continue to grow as a percentage of the budget, the stable outlook reflects our view of management's proactive approach to managing these costs while collaborating with the member communities to ensure ongoing budgetary stability and maintenance of reserves consistent with levels of the past few years.

The long-term rating reflects our view of the district's:

- Affluent local economy and high household incomes, reflecting direct access to the broad and diverse Boston metropolitan statistical area (MSA);

- Sizable and very diverse property tax base, with extremely strong per capita market values relative to those of national peers;
- Consistent financial performance leading to maintenance of good available reserves; and
- Moderate debt profile, with minimal additional debt issuance plans in the next several fiscal years outside of this authorization.

Environmental, social, and governance factors

We analyzed the district's environmental, social, and governance (ESG) risks relative to its economy, management, financial measures, and debt and liability profile, and determined that they are in line with our view of the sector standard. Given the district's proximity to the Atlantic Ocean, environmental risks expose its facilities and property tax base to severe weather events and corresponding property damage. However, regional efforts are underway to improve seawalls and other infrastructure to potentially limit the long-term effect of sea-level rise.

Stable Outlook

Downside scenario

Should the district experience operating challenges leading to a deterioration in reserves, or if operating expenditure growth outpaces reserve growth, leading to a decline in reserves as a percentage of expenditures, we could take negative rating action.

Upside scenario

We could consider a positive rating action if the district grows reserves to levels that we consider commensurate with those of 'AAA' rated peers, alongside improved management policies related to financial and capital planning.

Credit Opinion

Stable residential economic base with access to employment bases

Manchester and Essex are both primarily residential communities, with residential properties accounting for more than 90% of the total assessed value (AV). Total AV in both towns increased over the past several years, largely as a result of rising home values. The communities experienced an uptick in home renovations and rebuilds, resulting in new tax base growth. We expect continued growth in both towns' tax bases.

Residents have access to commuter rail service provided by the Massachusetts Bay Transportation Authority and benefit from access to the broader Boston MSA, providing stability. Despite the elevated county-level unemployment rate in 2020, we expect limited pressure on the towns' economic metrics or financial pressure and expect the rate to continue to decline. Overall, we expect the economic profile to remain stable.

Stable, predictable finances with good available reserves and access to additional restricted reserves

Assessments from member towns are the predominant revenue source, accounting for 75% of general fund revenue, while state aid--much of it a pass-through to fund the teacher retirement system--accounts for the majority of remainder. The assessments are guaranteed by the underlying municipality and paid monthly to the district. The

division of the total assessment has been very stable, with Manchester paying 65% and Essex 35% in each of the past five years. Pursuant to a district agreement, costs are divided into three categories: capital, operating, and special operating costs.

We view the district's financial position as stable, with general and operating fund surpluses in each of the past four fiscal years, with approximately balanced operations projected to be reported in the fiscal 2021 audit. The district, by law, can carry only about 5% of unreserved and undesignated general fund reserves. Any amount in excess of this is used to reduce town assessments for the next fiscal year. Other reserves accounted for in the school choice fund provide additional flexibility. These reserves are unencumbered and have been stable at about \$1.5 million (4% of general fund expenditures) for many years. The district's cash as a percentage of expenditures includes bond proceeds and capital expenditures. Given monthly remittances from the member towns, we expect the cash position to remain stable.

The district's 2020 audited operating surplus is the product both of its annual budget development process, which we believe is generally conservative, and savings from school closures due to the pandemic. For fiscal 2021, it budgeted \$335,000 from reserves to offset the potential for an approximately \$360,000 state aid cut. The district ultimately received its full state aid. A significant portion of its pandemic-related costs were offset by approximately \$1.1 million in federal aid, although management is still working through full reconciliation of these items in the current year. Management expects that it could draw down approximately \$100,000-\$300,000 in the 2021 audit.

For the fiscal 2022 budget, the district continues to adjust for rising special education costs, but otherwise did not make significant changes in staffing or programming relative to recent adopted budgets. The 2022 budget totals about \$28.3 million. When town apportionments are determined, capital costs include the cost of constructing school buildings and include debt service on bonds outstanding. These costs are apportioned based on 50% of the proportionate share of the equalized valuation (EV) of the member towns and 50% of the respective populations of each member town calculated against the total. Operating costs are tied to wealth, population, and enrollment factors. About 25% of noninstructional costs are calculated based on the proportionate share of EV of the member towns, and 75% on the proportionate share of the respective populations of each community measured against the total. Similarly, 25% of instructional operating costs are apportioned based on the proportionate share of EV of the member towns, although 75% is based on a proportionate share of the respective enrollments. Finally, special operating costs are apportioned based on the enrollment of pupil hours of residents in certain courses against the total enrollment of pupil hours for those courses. We expect assessments and state aid to remain stable and predictable, with minimal variability in the district's expenditures. We expect finances, including reserves, to remain stable.

Standard financial management conditions and practices, with sound budgetary assumptions

The district was formed in 2000, with its powers and duties vested in and exercised by the Manchester Essex Regional School District Committee. The committee consists of seven members: four from Manchester and three from Essex. The district manages three facilities, two elementary schools, and one middle/high school. Management maintains a collaborative relationship with each member town, providing those communities regular updates on all financial matters, particularly as they undertake budget planning. The district has a five-year revenue and expenditure model included in the annual budget, and we believe management works closely with the member towns to project future budgetary challenges and potential changes in town assessments. The school committee receives monthly updates on

budgetary matters and cash and investment holdings. The district manages its investments in accordance with state law, which does not permit it to hold investments with significant risk.

While it does not have a formal policy, the district undertakes some capital and financial planning to help manage operations. Because it is an infrequent debt issuer, it has no formal debt management policies. However, the district and its member communities have regularly sought approvals to exempt debt from the limitations of Proposition 2-1/2. It also incorporates capital planning into its annual budget process, including updating its debt model annually. The district annually reviews its capital needs, but does not maintain a stand-alone capital plan that outlines projects and funding sources in each of the five upcoming fiscal years. As for reserves and liquidity, the district has no formalized policies or targets but has generally maintained overall reserves in excess of the state's 5% limitation for unreserved and undesignated general fund balances, although on a budgetary basis, it remits reserves to the member towns in the form of assessment reductions.

High overall debt with average amortization, but limited future capital needs

Following this issue, the district will have about \$47.6 million of total direct debt outstanding. Also included in our overall debt calculation is approximately \$26 million of GO debt outstanding issued by Manchester and Essex. The district could issue several million in new-money debt over the next one-to-two years to close out the Manchester Elementary School project, but we do not expect material change in the debt ratios. Beyond that, it may explore renovation or reconstruction of its second elementary school; however, those plans remain preliminary and are likely at least several years away.

Pension and other postemployment benefit (OPEB) liabilities:

- We do not believe retirement liabilities or costs are a source of financial pressure for the district.
- While we believe some of the assumptions used to build the pension actuarially determined contribution (ADC) reflect what we view as weak assumptions and methodologies that increase the risk of unexpected contribution escalations, we expect costs to remain low.
- The district is prefunding its OPEB liability through a dedicated trust fund. Its net OPEB liability is about \$24 million, with a funded ratio of 9.3%.

As of June 30, 2020, the district participated in the following pension plans:

- Essex Regional Contributory Retirement System (ERRS): 56% funded with a \$5.8 million proportionate share of the net pension liability.
- Massachusetts Teachers Retirement System (MTRS): 51% funded with no liability attributed to the district under the special funding situation whereby the commonwealth contributions on behalf of the district.

For ERRS, the retirement system determines the funding schedule and assumptions and the district has no real ability to dictate changes. It is required to contribute the full ADC annually. However, as most district employees eligible for a pension plan participate in MTRS, despite potential contribution volatility, we do not believe pension costs are likely to pressure the district's budget.

The district also provides OPEBs to eligible district retirees, including lifetime health care through its group health

insurance plan. We believe the establishment of the trust is a positive credit factor that illustrates the district's commitment to mitigating substantial growth in those costs by prefunding the liability. While OPEB costs could rise, given the current low pension and OPEB combined cost, we do not expect material retirement liability cost pressure.

Manchester Essex Regional School District, MA -- Key Credit Metrics

	Characterization	Most recent	Historical information		
			2020	2019	2018
Economic indicators					
Population			9,253	9,222	9,145
Median household EBI % of U.S.	Very strong		159	159	161
Per capita EBI % of U.S.	Very strong		192	192	207
Market value (\$000)		3,655,225	3,400,143	3,309,356	3,205,692
Market value per capita (\$)	Extremely strong	395,031	367,464	358,854	350,540
Top 10 taxpayers % of taxable value	Very diverse	5.1	5.5	5.4	5.5
Financial indicators					
Total available reserves (\$000)			2,535	2,153	1,573
Available reserves % of operating expenditures	Good		7.1	6.8	5.0
Total government cash % of governmental fund expenditures			35.1	95.8	11.4
Operating fund result % of expenditures			2.4	1.8	0.1
Financial Management Assessment					
Enrollment		1,261	1,262	1,368	1,386
Debt and long-term liabilities					
Overall net debt % of market value	Low	1.8	1.9	2.2	1.3
Overall net debt per capita (\$)	High	7,961	7,162	7,739	4,432
Debt service % of governmental fund noncapital expenditures	Moderate		11.8	6.1	6.1
Direct debt 10-year amortization (%)	Average	52	51	49	72
Required pension contribution % of governmental fund expenditures			0.8	1.4	1.6
OPEB actual contribution % of governmental fund expenditures			2.8	4.2	4.7
Minimum funding progress, largest pension plan (%)			81.4	78.4	78.1

EBI--Effective buying income. OPEB--Other postemployment benefits.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

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