

September 14, 2022

To: MERSD School Committee (SC)

From: Avi Urbas, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: Financial Package for 9/20/22 School Committee Meeting

Hello, MERSD School Committee.

Attached please find financials for the 9/20/22 School Committee Meeting. A summary is below:

FY22/FY23 Budget Update Slides

Using the presentation from our 9/6 meeting as a foundation, I have provided updates (changes in red), including recommended School Committee votes.

FY23 Voucher 1011: \$340 employer contribution to Medicare in October for legacy retirees, paid on a separate voucher because funds are transmitted electronically, not by check, to the federal government.

FY23 Voucher 1012: \$466K invoices approved on 9/13/22 by the Manchester Memorial Elementary School (MMES) School Building Committee at their monthly meeting, including:

- \$407K to WT Rich, construction manager for services provided in July (\$156K) and August (\$250K). We expect final project invoicing to occur within 1-2 months. With the last playground now open (for upper grades), remaining work primarily relates to final landscaping (e.g. plantings, drainage). The project is expected to end under budget with savings to taxpayers.
- \$32K for the new tractor, which facilitates snow removal. The cost is offset by a trade-in of the old tractor, which was purchased more than ten years ago. With the new school, there is more ground to cover.
- \$15K to Project Adventure for 50% deposit on new installation at MMES. This was previewed at the last School Committee meeting, when we paid the 50% deposit on the new installation at Essex Elementary School (EES). The EES installation is funded by our Stabilization reserve fund as part of our elementary school equalization process, whereas the MMES costs are funded by the building project.
- \$10.8K to City Sealcoating for treatment of parking lot spaces at MMES that were not part of the building project. Specifically, the teacher's lot was constructed as part of a state grant funded Safe Routes to School reconfiguration of the entry/driveway loop to MMES several years ago. A total repaving was not yet necessary at the time of the new school construction project, but this sealcoating project helps to match the surfacing quality of the older lot, with adjacent new driveway areas that were completely replaced with the building project.

FY23 Voucher 1013: main AP voucher for FY23 expenses, totaling \$672K. Payments include:

- Curriculum & Technology
 - \$14K to Amazon (125 invoices!, due to split shipments) for classroom and school office supplies during the school year start-up phase
 - Additional school supplies and instructional materials for the school-year start up on this voucher include \$2K to Scholastic for elementary reading materials, \$2.7K to School

- Specialty for art supplies, and \$4.2K to WB Mason including paper supplies and lab room stools that replace units original to the Middle High school building.
- \$2.8K for acoustic panel installation at Middle School. These are necessary in some classrooms to support special education students with identified audiology needs.
- \$3K to Brain Pop for annual EES instructional software license
- \$2.2K to Gov Connection for 55 Chromebook charges (at \$40 each) at the Middle School, to replace units not returned by students (for which we are still following up with families) with some additional inventory for spares.
- \$12K to KnowAtom for cost of annual consumable materials for science program at EES. MMES materials have yet to be invoiced.
- \$7.4K to McGraw-Hill for cost of annual consumable materials for math program, mostly at MMES. The EES costs were paid on a previous voucher.
- Administration & Facilities:
 - \$10K to Atkinson Carpet for annual cost of 3-year plan for carpet replacement in the highly trafficked Middle School 'pods' area (1 pod/grade level per year) funded by facility "small capital" budget allotment in the operating budget.
 - \$7.7K to Jeffrey's Creek for grounds work at EES playground funded by Stabilization. Total cost estimate of this work for cleaning up the site aesthetically is \$16K, but the grass seeding portion has been postponed due to the ban on watering.
 - \$30K to London Health Administrators for interim funding of Health Reimbursement Account (HRA). MERSD contributes roughly \$100K annually to offset the first 50% of employees' health insurance deductibles. For a family plan, MERSD contributes \$1K (out of total \$2K deductible) and for an individual plan MERSD contributes \$500 (total deductible is \$1K), and employees are responsible for the remainder. MERSD's annual contribution is funded by significant premium savings generated from migration to these higher deductible plans, which cost less, given the expectation that insurers will generate more revenue from employees in the form of out-of-pocket costs, including the deductibles. These plans have the added benefit of driving down utilization as users who share a larger portion of costs tend to manage their elective choices more carefully. Lower utilization/claims favorably impacts future renewals by mitigating rate increases, which is always a big factor in our budget preparation. At the time of the migration, in FY19, MERSD estimated annual savings of \$178K (7%) even after accounting for the \$100K contribution.
 - \$5K to Lyons & Rogers for Special Ed legal expenses, which is higher than the more typical \$1K-\$2.5K monthly cost.

FY22 V1082: \$38K in Accounts Payable transactions for 11 vendors submitting late invoices for services delivered through 6/30/22 as detailed below. This will be the last FY22 voucher that we process. Subsequently, in keeping with standard, past practice, any remaining FY22 encumbrances (purchase orders) that are still valid, but not yet invoiced by vendors will be rolled into a special fund in FY23 (fund 113, named FY22 Carryover Encumbrances), which you will see on future FY23 vouchers as we pay those lingering FY22 bills. Our auditors review this process annually to ensure appropriate treatment.

Among the invoices on V1082:

- \$14K to National Grid for electricity services at Memorial in March. As referenced last meeting, billing for the new building is delayed due to clerical issues on the utility's end. Remaining months will roll into Fund 113 as described above.
- \$3.3K final invoice to GSPP for solar power generation in June.
- \$6K to Project Adventure for last school year's end-of-year elementary school trip.

- \$10K to Dr. Suzanne Graves, school physician, including late invoicing of COVID era support provided to school nurses in prior years. The annual budgeted expense is typically \$2.5K.

Please let me know if you have any questions.

Best regards,

Avi Urbas